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Slower Growth Of N.Y. Licensed Insurers Puts Spotlight On Restrictive Statutes

By ROBERT B. MITCHELL

Until very recently, nobody has exhibited both the power and the inclination to challenge the tight grip by which the state of New York forces out-of-state companies under its jurisdiction to stay within New York's commission ceilings wherever they operate.

But recent utterances of Donald P. McHugh, counsel of the Senate antitrust and anti-monopoly subcommittee make it appear that the subcommittee's approaching investigation will cover precisely the sort of thing that New York does in imposing tough restrictions not merely within its own borders but extraterritorially as well.

We commented editorially at the time on this interpretation of a passage in Mr. McHugh's talk at the insurance section of American Management Assn. Since then we have looked for tangible evidence of the effect of the New York restrictions. We found it in the tables of company in-force

rankings published in THE NATIONAL UNDERWRITER for April 26, 1958, and for April 9, 1948.

Of the 50 companies having the most insurance in force last Dec. 31, the 25 companies licensed in New York, both domestic and out-of-state, grew at a much slower rate during the last decade than did the 25 companies not licensed in New York.

Doubled In Force Total

The 25 New York licensed companies somewhat more than doubled their in-force total—the increase was 130%. But the 25 non-admitted companies came within 2½% of trebling their total in-force during the decade.

Group insurance contributed more than its proportionate share to this tremendous difference. During the decade the group insurers among the 25 New York admitted companies had a 425% increase in group in force, as against an 810% increase among the group insurers in the 25 non-admitted companies. But the latter wound up

the decade with only about a quarter as much group as the 25 New York admitted insurers.

Taking the group coverage out of consideration, the 25 admitted companies showed nearly a 72% increase in insurance force in the 10 years, while the 25 outsiders were running up a 111% increase.

Because the outsiders' group insurance was quite small, totaling only about \$3.3 billion at the start of the decade, and the New York commission restrictions are most onerous in connection with ordinary, the exclusion of group permits a fairer comparison between New York licensed companies and those not doing business in the state.

What would have happened if the 25 New York licensed companies had shown the same rate of increase in ordinary and industrial as did the non-admitted companies? The former category had about \$120 billion in force in non-group coverage at the

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NAIC Holding Annual Parley This Week

Senate Investigation Is Main Concern At Chicago Gathering

As the annual meeting this week in Chicago of National Assn. of Insurance Commissioners reached its midpoint, the accent more and more went to the overriding concern with the forthcoming senate investigation of the business. The big crowd Monday was at the meetings of the federal liaison and preservation of state regulation committees, at which, unfortunately, discussions were carried on at cross purposes, bringing on confusion lasting until Wednesday afternoon when a series of corrections, apologies, clarifications and further explanations were offered by the commissioners involved.

The misunderstanding served, however, to put the matter of NAIC response to the federal activity in the full spotlight, and the Chicago meeting will undoubtedly produce a plan of action.

Few Life Developments

Significant developments in the life field were few by midweek, although at the life committee meeting Wednesday there were decisions on the preparation of a new mortality table, a schedule for minimum group life rates and some flurries in the A&S area. Discussions of variable annuities are reported elsewhere.

Action on a new mortality table will be taken at the December meeting of NAIC, from all indications to be gained from the report of the subcommittee on that subject. Sheehan of Minnesota, who heads the subcommittee, said in his report there are still some questions to be answered, but they are technical, and the recommendation was that the subcommittee on deficiency reserves and mortality tables review be continued and that it

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Variable Annuity Dual Control Gets Heavy Treatment At Chicago

The variable annuities and pension plan funding subcommittee (Gerber of Illinois, chairman) of NAIC at the annual meeting in Chicago heard three men give their forthright opinion against the attempts by securities people to propose legislation for control of variable annuities by state securities bodies in place of, or in conjunction with, state insurance authorities. The three speakers completely agreed with each other, the audience agreed with the speakers, and then the subcommittee went into executive session.

Robert A. Crichton, president of Variable Annuity Life, led off with the statement that the proposed measure up for adoption in various states as "a uniform blue sky law for control of these annuities" had never been considered by the insurance business, nor had the business been consulted. He said no one in the life insurance business even knew about the formulation of such legislation and it was all handled by the securities business and its trade organizations and their advisers.

Mr. Crichton felt that the insurance industry should be the one to propose any variable annuity bills and the question is whether any segment of the business can be shifted off from the regular insurance industry to be put under securities control. He made clear he was not talking about the pros and cons current in the business of variable annuities as such. He then queried, "Why should this segment of the business be fragmented? If we do nothing to assert the province of the state insurance departments, where do

Late News Bulletins . . .

U. S. Can't Grab Proceeds For Tax Arrears

WASHINGTON—The Supreme Court has ruled in the Stern case that the Kentucky creditor exemption statute, which is fairly typical, bars the Internal Revenue Service from collecting from life insurance proceeds left to a named beneficiary, in the absence of fraud against creditors, which was not asserted in the Stern case. In the Bess case, decided the same day, involving the New Jersey exemption statute, the court held that because a tax lien had been filed against the policy before the insured's death, the government was entitled to recoup up to the amount of the cash value but no more than that. Students of the cases are somewhat concerned at the court's concept of the cash value as a "fund," passing to the beneficiary as part of the proceeds.

Commission On Own Policy Held Taxable

PHILADELPHIA—The federal court has denied the claim of A. J. Ostheimer 3rd, agent of Northwestern Mutual Life here and head of a general insurance and estate planning business, that commissions on business he bought on the lives of key employees, his children and his former partner do not constitute taxable income. Mr. Ostheimer contended that in buying the insurance at net rates there was actually no commission paid and that the transaction was analogous to buying anything else at a discounted price.

we stop? In time this encroachment by securities people could be made to apply to any kind of life program that contains an investment element." Again, he queried "where, under such thinking, do we stop? 1%, 2%, 10% of an investment portion of an insurance program before it comes under dual supervision of state securities and insurance regulatory bodies? It is better that NAIC should look for other ways to settle the question," he said. "You know more about the subject than the securities departments." He added that in many cases the difference in per-

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Newell C. Day, general agent at Davenport for Equitable Life of Iowa, holding the "Man of the Year" plaque which he is sponsoring and is to be presented annually to the living life underwriter who has contributed to the business in Iowa in an outstanding manner. The first award was made this year, to Charles J. Stratton, Mutual of New York, Dubuque.

Trading Stamp Life Insurance To Go Into Effect Soon

P-I-P Stamps Inc. reportedly expects to complete negotiations this month that will enable it to launch its life insurance plan under which purchasers of goods in participating stores will get green stamps which can be traded in for life policies. The intention is to start the plan within a 60 mile radius of St. Louis. Ralph E. Flannery, president of P-I-P Stamps, said he expects to announce shortly the names of stores in more than 50 communities which will put the plan into effect during the summer.

Since it has been announced, the P-I-P plan has drawn the fire of life agents and some insurance department officials.

Final List Of Qualifiers For '58 Given By MDRT

The final listing of the 1958 Million Dollar Round Table qualifiers, which brings the total to a record 2,987, or 23% above the 1957 total, contains the following names, divided into the five MDRT categories.

In the listing that follows, company names have been abbreviated where practicable: Business Men's Assurance, BMA; Canada Life, Canada; Connecticut General, CG; Connecticut Mutual, CM; Equitable Life Assurance Society, ELAS; Great-West, G-W; John Hancock, JH; Kansas City Life KCL; Lincoln National LNL; Manufacturers, Mfrs.; Mutual Benefit Life, MBL; Massachusetts Mutual, MM; Mutual of New York, MNY; New England Life, NEL; National Life of Vermont, NLV; Northwestern Mutual, NWM; Northwestern National, NWNL; New York Life, NYL; Penn Mutual, Penn; Phoenix Mutual, Phoenix; Southwestern Life, SWL; Union Central, UC.

Qualifying & Life Repeating

E. J. Adams, ELAS, Akron, O.; R. S. Albritton, Prov. Mut., Los Angeles; J. C. Alley, NYL, Los Angeles; L. E. Anderson, ELAS, Pasadena; B. C. Anderson Jr., NWM, Philadelphia; R. B. Anthony, ELAS, Chicago; P. T. Aubin, CG, Chicago; H. J. Baker, Bankers Nat., Boston; M. H. Beitman, Confl. Assur., Harrisburg, Pa.; W. E. N. Bell, Mfrs., Toronto; W. R. Benz, Penn. Ft. Wayne; W. A. Bethune, Jeff. Std., Charlotte, N.C.; Jean Black, CG, Indianapolis; R. C. Bradley, NYL, Columbus, O.; K. G. Brown, Canada, Hamilton, Ont.; Pat Bryan Jr., SWL, Graham, Tex.; T. E. Burke, NEL, Boston; C. P. Carey, NWM, Los Angeles; O. E. Carlin, ind., Columbus, O.; H. W. Castleman, NEL, Louisville; W. T. Cline, Confl. Assur., Chicago.

H. F. Cluthe, State Mut., Newark; G. J. Cohen, NEL, NYC; R. H. Collins, Confl. Assur., Milwaukee; D. M. Confort, MM, Long Beach, Cal.; M. R. Coulson, Penn, Wichita,

Kan.; S. H. Crawford, Mfrs., Toronto; T. W. Crist, NWM, Cleveland; W. L. Crofford, Amicable, Corpus Christi; C. A. Cummins, ELAS, Chicago; C. A. DeLeeuw, NEL, Phoenix; E. J. Dore Jr., Berkshire, Detroit; R. W. Dozier, MM, Oklahoma City; R. W. Druckenmiller, Prov. Mut., Allentown, Pa.; Herman Duval, NWM, NYC; Paul Dye Jr., CM, Indianapolis; H. C. Edwards, ELAS, Chicago; Aaron Eisenstein, United Ben., Philadelphia; J. W. Ensminger, MM, Chicago; A. F. Florello, Pru, Detroit; F. A. Flory, MM, Adrian, Mich.

W. H. Fromhold, NYL, Palo Alto, Cal.; W. H. Gaither, ind., Charlotte, N.C.; P. S. Gesswein, NEL, NYC; B. H. Gibson, Occ. N.C., Harlingen, Tex.; P. A. Gibson, NYL, Arlington, Va.; J. B. Glasser, Confl. Assur., Chicago; G. H. Gruendel, NEL, Chicago; H. K. Gutmann, MNY, NYC; J. M. Hamill, ELAS, San Francisco; J. G. Harding, NWM, Portland, Ore.; R. W. Harper, Minn. Mut., Denver; T. D. Harvey, NEL, Dallas; W. A. Hayes, ind., St. Louis; P. A. Hazard Jr., NEL, Chicago; G. J. Heiferman, Industrial, Montreal; H. E. Henry, NYL, Columbus, O.; S. S. Herwitz, MNY, Cincinnati; Syd Hoare, Canada, Vancouver; F. R. Horner, NWM, Madison, Wis.

Oscar Hurt Jr., State Mut., Memphis; R. E. Kennedy, Pan-Am/Mex., Mexico City; M. R. King, UC, NYC; H. H. Kingston, Penn, Rochester, N.Y.; J. C. Krause, Penn, Lansing, Mich.; Robert Kruh, Guard., Newark; M. A. Laitman, Home/NY, Valley Stream, N.Y.; J. B. Longley, United L&A, Lewiston, Me.; C. J. Manion, ELAS, Detroit; H. Y. S. Mau, Grand Pac. Life, Honolulu; R. T. Maurey, MNY, Bradford, Pa.; H. J. Mayer, Jeff. Std., El Paso; R. W. Miller Jr., NYL, Washington, D.C.; F. M. Minninger, CG, Detroit; D. J. Montanaro, NYL, NYC; Leonard Mordecai, NWM, Boston; E. G. Mura, NEL, Kansas City; C. W. Murray, Gt. South, Huntsville, Tex.; Howard Neal, ind., Los Angeles; Edward Neisser, MM, Los Angeles; Harold Nitschke, NYL, Cleveland.

A. J. O'Callaghan, ELAS, Chicago; W. P. Parr, JH, Baltimore; C. C. Peck, Canada, Toronto; R. R. Pharr, NYL, Oceanside, Cal.; G. H. Plante, JH, Cleveland; R. C. Poindexter, NWM, St. Louis; R. J. Portnoy, Crown, St. Louis; C. L. Post, ind., NYC; C. L. Quinn, NEL, Boston; L. D. Rothensies, Penn, Wilmington, Del.; G. W. Roberts, NYL, Delano, Cal.; K. V. Robinson, NEL, Waterbury, Conn.; C. T. Rothmel Jr., JH, Chicago; Edward Russo, NWM, Baltimore; Sidney Salomon Jr., Crown, St. Louis; J. J. Schoenberg, NYL, Akron, O.; H. R. Schultz, MNY, Chicago; M.

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Edward J. Dore and his two sons, Edward Jr., and Thomas P. Dore, of Detroit, repeated last year's history-making "first" by all qualifying as members of the 1958 Million Dollar Round Table. Theirs is the only case of a father and two sons qualifying in the same year.

Edward J. Dore, general agent for Berkshire Life in Detroit, has been an MDRT member many times. Both sons attained membership after their first full year as life agents and have qualified each year since. Edward Jr. became a life member last year. Thomas has now qualified twice in succession.

officer and the other a regional vice-president.

The convention also spent much time on a legislative "work-shop" where J. Taylor Bigbie, NALU counsel, Mervin R. Samuel, chief of the legal and compliance division of the insurance department, and Assemblyman Jack A. Beaver appeared with association officers and legislative chairmen.

Hold 'Sounding Board' Session

One afternoon was devoted to an "Agents' Sounding Board" session where delegates and member visitors were encouraged to discuss their regional, business or personal business problems, which brought out a wide variety of subjects, recommendations for consideration of local and state organizations and suggestions for advancing the prestige and value of the state body.

The convention closed with a banquet preceded by a reception, with Manhattan Life as host. Paul Speegle, radio and TV personality and newspaper columnist, was toastmaster.

Blow Whistle On Moore's Mo. Insurer

Jefferson City Circuit Judge Blair in Cole county circuit court made permanent his temporary injunction that prohibited Security National Life of St. Louis from writing any new insurance. He also placed Superintendent C. Lawrence Leggett in charge of the company, its assets and insurance in force, etc., as receiver. Mr. Leggett was instructed to rehabilitate the company, if possible.

Judge Blair acted after he had heard testimony of Alexander P. Hood of St. Louis, a department examiner, who verified a report he had submitted to Mr. Leggett of the results of an exam-

Urges Closer Liaison Between Insurance Doctors And AMA

Dr. John E. Boland as chairman of the American Life Convention Medical Section, called for the solution of what he termed a critical problem facing the doctors in insurance medicine: "The improvement of professional relations with our clinical colleagues" in American Medical Assn. Dr. Boland addressed the opening session of the annual meeting of group insurance medical directors at Colorado Springs.

More than 140 doctors representing 130 life companies heard Dr. Boland state that it is up to medical directors to assert leadership in cooperating with the AMA. He said it is imperative that doctors in insurance take an active part in the affairs of organized medicine and suggested that a section on insurance medicine in AMA would be a "major step in improving medical relations at all levels."

Must Get Insurance Concept

One problem the medical directors have is to get to the practicing physician the concept of insurance, Dr. Boland pointed out. He quoted the president of AMA, Dr. David Allman who said: "The two groups, insurance and organized medicine, represent two of the strongest remaining bulwarks of American free enterprise, and I think we had better work together to keep it that way." He also pointed out that Dr. Elmer Hess, 1955 president of AMA, had suggested when he addressed the group two years ago the formation of a section on insurance medicine.

Must Share Responsibility

Organized medicine (AMA) must share the responsibility of making voluntary insurance function, Dr. Boland said. If cooperation and understanding between insurance and the medical profession does not continue to improve he warned, the voluntary system of health insurance will be forced out of business and the government forced into a national health scheme.

Dr. Boland pointed out that the accomplishments of the medical directors include the organization of the Board of Life Insurance Medicine. He went on to say that the board is a highly scientific, specialty board, that the candidates have excellent training and are required to pass a rigid written and oral examination, and that special-

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Cal. Life Assn. Names Pinney; Does Major Overhaul On By-Laws

California State Assn. of Life Underwriters has elected the following officers:

Harry R. Pinney, Bankers Life of Nebraska, Oakland, president; Edward Meisser, Massachusetts Mutual, Los Angeles, 1st vice-president; Earle L. Patten, New England Mutual, Peninsula association, 2nd vice-president; Herman J. Wulfsberg, Northwestern National, Long Beach, treasurer.

Principal business at the annual two-day meeting at San Jose last week was an almost complete reorganization. The large group of delegates, representing some 5,300 members in the state, agreed to:

Do away with mid-year meetings; make several changes in the by-laws to:

1. Eliminate the provision for a northern California executive committeeman and another representing the southern half of the state and substituting therefor six regional vice-presidents.

2. Change the by-laws so that the executive secretary and the national committee men, who are appointed by the executive committee, will no longer have a vote on that committee.

3. Raise the per capita dues from \$4.50 to \$8.

4. New provisions for accepting

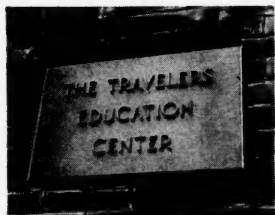
newly organized local associations "coincidental with approval of the NALU." At present this comes about by recommendation of the NALU.

5. Amend the present by-laws which do not provide in any local association by-laws for recognition of the state association, although dues have been collected from them. Hereafter the local associations will amend their by-laws to provide such recognition and a modus operandi for doing so and submit reports to the state association and thence to the national. The change also provides that local association by-laws shall be submitted and approved by both the state and national associations.

Will Supervise Locals

Under the new arrangement the six regional vice-presidents will have supervision over the local associations in their respective areas—this to bring closer communications, better service and assistance in legislative, membership and other association problems. In the past north and south executive committeemen have under pressure of personal or other business, restricted their travel, or been caused too much travel over large areas it was pointed out.

The new set up also provides for selection of officers and members of the executive committee and regional vice-presidents so there will not be more than one from any one association or any one company, although it will be all right to have two men representing the same company for election, providing one is elected a local



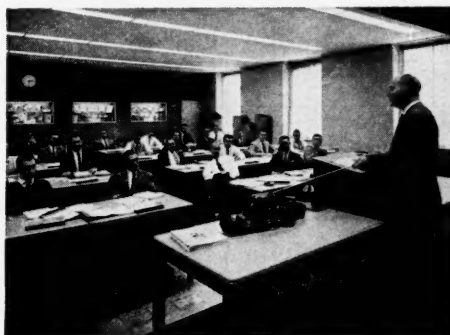
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METROPOLITAN REPORTS:

Three Diseases Account For More Than 75% Of Claims

Three diseases—heart, artery and cancer—accounted for more than 75% of the \$480 million in death claims paid out by Metropolitan Life last year. Heart and artery disease together caused 55% of the deaths and cancer accounted for more than 20%.

Statisticians noted that 20 years ago these diseases were responsible for only 52.7% of death claims. The increased proportion, they reported, was due largely to the drop in mortality from infectious diseases and the increased proportion of insured at the older ages.

Other facts and figures reported were:

Payments for all causes combined increased by 12% in 1957 as compared to 1956, but the amount of payments for deaths from pneumonia and influ-

enza soared almost 50%, largely as a result of the Asian influenza and other respiratory diseases last fall.

One encouraging note included in the report was the continued decline in claim payments for poliomyelitis deaths. Disbursements for 1957 were \$52,000 as compared to \$215,000 in 1956 and \$849,000 in 1952.

Fatal accidents accounted for about \$40 million in death payments, over half of which were for deaths in motor vehicle accidents.

Over \$7 million was paid in death claims on ordinary and industrial policies in force less than a year, and nearly one-third of this amount was on policies in force for less than three months.

Mead, Davis On Life Board

George D. Mead, president, and George I. Davis chairman of the executive and finance committees of Glens Falls, have been elected directors of National Life of Canada.

Fred F. Sale Agency, St. Louis, was top producer of paid life volume for General American Life in April.

Overglamorizing Management Stirs Agent Unrest: R.C. Johnson

Vorys Warns: Fix Up State Supervision Or Demise Is Near

Although a firm believer in state supervision of insurance, Superintendent Vorys of Ohio believes that "unless its shortcomings are corrected it won't be long before we witness its demise."

Addressing the Florida Assn. of Insurance Agents annual meeting at Miami Beach, Mr. Vorys said that 48 separate jurisdictions with 48 separate interpretations of the law, and in some cases 48 different laws, can be argued to be undue interference and restraint on interstate commerce.

"Unless the insurance commissioners of the several states make better and faster progress in the field of uniform laws and regulation, I predict that the insurance industry itself will, before many years go by, turn on us in a demand for a more simplified and less expensive alternative to state regulation and seek federal legislation," he said.

"The National Assn. of Insurance Commissioners has progressed by fits and starts. This year, under the competent leadership of Joe Navarre of Michigan, we have seen steady progress towards a more effective liaison between commissioners. But much more is still to be done."

Seconds Dineen's Proposal

Mr. Vorys said the next logical step is to adopt the proposal of former Superintendent Robert E. Dineen of New York, now vice-president of Northwestern Mutual Life, for a centralized research bureau in the NAIC headquarters, on which all commissioners could draw for information.

"This facility alone could not help but create greater uniformity in state regulation, more pressure for uniform laws, and a defense, by universally adopted statutes, of those areas where state regulation is vulnerable to federal intervention."

Recalling the story of the lion that overshot his quarry and then began practicing short jumps, Mr. Vorys said if the Federal Trade Commission has taken too long a leap in the American Hospital & Life and National Casualty cases "I am sure that, like the lion, it will begin practicing shorter leaps to avoid the embarrassment of over-shooting its quarry again."

Three Scholarship Winners Named By Colonial Life

Albert P. Burgess, a member of the June, 1958, graduating class of East Orange, N. J., high school, was the winner of Colonial Life's 1958-59 freshman scholarship for mathematics at Upsala College. The award provides tuition and incidental expenses to a qualified senior high school student during his freshman year.

John G. Graham was the winner of the 1958-59 junior scholarship and Ernest T. Sehringer was awarded the sophomore scholarship. Both are from East Orange.

Richard B. Evans, Colonial Life president, made the formal presentation to the three winners at the home office in East Orange.

"Don't sell selling short!" Raymond C. Johnson, vice-president in charge of New York Life's agency affairs, warned in his talk at the recent southwest area management conference at Pasadena. He made a strong plea for life insurance selling as a career and criticized the tendency in some quarters to attract agents by exaggerated promises of future positions in management. Following is a condensed version of Mr. Johnson's talk.

Too many new men are being recruited today largely with the promise of management jobs in the future. Too many established agents are being proselytized from one company to another with the promise of "an opportunity in management," for which the agents in question are totally unequipped and the opportunity is practically non-existent.



Raymond C. Johnson

The total effect is to build up management in the minds of the new and old agents as the goal, the sum total of all that is to be desired in life. It is making the agent's job merely a stepping stone to management and not a desirable one in itself. This continuous glamorizing of management work down-grades life underwriting as a career and is done at the expense of the prestige of the life underwriters job.

The promiscuous offers of future management opportunities to prospective agents can come back to plague us, as it is impossible to make good on these promises.

It can be the cause of many evils in our business—high turnover, high costs, bad morale, loss of prestige, and weakened leadership for the manager, but, most of all, a lack of appreciation of the tremendous opportunities and job satisfactions in a career as a life underwriter.

Today, selling life insurance has become a professional career with the characteristics of any other profession. Like the professions of medicine and law, it is based on a science; it requires much technical preparation; it places improvement of the profession as a whole above the interests of the individual; and it works to serve the welfare of society.

When we start thinking about advancement or promotion, I wonder if some of our thinking isn't carried over from the operation of general business. In almost every other business, advancement is indicated only by progress through a series of jobs in the organization. Opportunities for creative selling are very limited and the main road to advancement is always through management.

Carrying over this thinking to our business, it is only natural that some of our prospective agents and established agents might feel an appointment to management is evidence of progress made in the job of career underwriting. But is it?

It seems to me that the greatest

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Confident Living

BY SKOG



H. P. SKOGLUND, President

A new baby at your house?

If the stork paid you a visit lately, you have lots of company. In the last year, nearly 4½ million new babies put in an appearance. At that rate, the experts say, our country's population will exceed 200 million people by 1970.

Bigger families, so prevalent back in the earlier 1900's are coming back. Right now, there are considerably more families with four or more persons, than there were 8 or 10 years ago. That means more mouths to



feed, clothes to buy, houses to build, not to mention a lot of other goods and services needed by a big family. For every father it means keeping a nose to the grindstone providing for the enlarged family.

But by the same token, it's pointed to by many economists as one of the big influences on the future growth of our economy. Making all of the products and providing services for these growing families should keep business and industry humming over the long pull, they say.

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NORTH AMERICAN INSURES CONFIDENT LIVING

Insurance Trust Preferable To Naming A Minor As A Contingent Beneficiary

NEW YORK—Are minors benefited when named as contingent beneficiaries? Are they really helped when they receive gifts from their parents?

These and other questions dealing specifically with estate planning techniques were discussed by Bernard M. Eiber, New York attorney specializing in estate planning, wills, trusts and business insurance, who until recently was a partner in the Bergen-Eiber agency of Mutual Trust Life in Brooklyn. Mr. Eiber expressed a decided preference for the contingent life insurance trust as opposed to naming a minor—or even an older son or daughter—as a contingent beneficiary. He reminded his audience that mere attainment of age 21 doesn't guarantee maturity and sound judgment and this fact should be taken into account when an agent assists in estate planning. Following is a summary of Mr. Eiber's answers to the two questions quoted above—which he answered as a single question—and to other questions he posed.

As you know, if the primary beneficiary of a life insurance policy does

not survive the insured, the contingent beneficiary who survives the insured becomes the vested owner of policy proceeds. The results are the same when a minor becomes the vested owner of policy proceeds as when a minor receives gifts from his parents; the result is the same regardless of whether the parents are dead or alive. Which brings me to the pertinent question: "Are such minors truly benefited when named as contingent beneficiaries, or when minors receive gifts from their parents?"

I have a firm conviction that a gift—an outright transfer to a donee who is a minor—should be considered as a serious matter by the donor, and I have the same conviction about a minor being designated as a contingent beneficiary of a life insurance policy.

While it is true that an 18-year old boy, or even a 21-year old young man would be delighted with a gift of a Cadillac convertible as a birthday present, I seriously question the advisability of such a gift. Even though such a gift to his son would reduce dad's estate by some \$6,000, and thus reduce his income tax by \$150 to \$200, because the securities dad may have sold to buy the car would no longer yield \$300 annually, which may be taxed in the 50% or higher income tax bracket. Such a gift, unless the circumstances are most unusual, cannot be considered wise even if there would be a resulting tax savings for dad.

If we question the advisability of making a gift of a Cadillac convertible to a minor, why, then, should we not question the advisability of designating a minor as a contingent beneficiary when such beneficiary will, when he attains the age of 21, become both the legal and beneficial holder of the policy proceeds, and can do with them as he pleases—even taking the entire amount to buy a Cadillac convertible.

Estate planners find that some of their clients contend, and many times rightly so, that barring unusual circumstances their respective wives could manage insurance proceeds without outside assistance and advice. For the moment we will assume that the client is right and that his wife can actually manage, and manage well, the financial affairs of the family after the death of her husband.

But what about the welfare of the

children in the event that both the mother and father should predecease the children? To take care of such an eventuality, consideration should be given to the use of contingent life insurance trust. Primarily, the contingent life insurance trust confines itself

to problems involving minor children. But in a broader sense, it is equally as effective in offsetting the legal and financial problems with which young people, even over the age of 21, are confronted if both parents die prematurely.

The contingent life insurance trust is an effective estate planning tool that can well serve your client's family in the event of a number of other contingencies such as the wife predeceasing her husband, or both parents dying in a common disaster, or if the wife dies after her husband, but before the life insurance proceeds which may have been left in a lump sum or under settlement options are exhausted. If a contingent life insurance trust has not been established, such proceeds will be turned over to the minor's legally appointed guardian, or directly to the children if they have already attained age 21. Here, if the beneficiary is a minor, the guardian's powers are fixed by law, and the guardian must secure approval of, and account for all expenditures made for the benefit of the minor children.

On the other hand, if a contingent

life insurance trust has been established with either a bank or a trusted individual designated as the trustee, the need of obtaining the court's approval for expenditures is eliminated. This is an advantage because a trustee can then manage property for the benefit of the children according to the wishes of the grantor, the insured, and not as directed by the court.

Could Designate Wife

If such a trust is used, the insured could designate his wife as primary beneficiary of his life insurance policies with the policy proceeds payable either in a lump sum or under settlement options arranged in his wife's best interest. The contingent life insurance trust would be designated as the secondary beneficiary to receive any policy proceeds remaining after the death of his wife.

A second advantage of the contingent life insurance trust is that such a trust can be created for a period beyond the time when minor children attain legal majority—even after they attain age 21. We must remember that

(CONTINUED ON PAGE 16)



Bernard M. Eiber

HERE IS PROVIDENT'S
ANSWER TO THE
PROBLEM OF RISING
HOSPITAL COSTS...

THE
INDEMNITY
HOSPITAL
POLICY

- Pays—not reimburses—\$10 a day for covered hospital confinement—up to 365 days for any one accident or period of sickness.
- Pays on top of any other hospital coverage in force.
- Brings hospital protection in line with present-day costs.
- You can sell the Indemnity Hospital Policy to present clients and create new clients for your office.
- Surgery, too, on indemnity basis if desired.
- Issued with Renewal Equity, which guarantees the protection to age 66.

BROKERAGE BUSINESS SOLICITED
WRITE TODAY FOR FULL DETAILS



PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY
Chattanooga—Since 1887

LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

Two Top InsurOmedic Officers Resign After Insolvency Order

DALLAS—Pioneer Fisher, president, and his son, Luther Fisher, secretary, of the InsurOmedic Life, Dallas, resigned late last week following issuance of a show-cause order by Insurance Commissioner Harrison charging insolvency because of a surplus deficit set at \$883,857.

Concurrently, John Plath Green, Dallas attorney, named by the board

as its presiding officer, announced that two other directors have resigned but are being retained in special capacities. They are Jack Penter, former vice-president and actuary, who is serving as general manager, and Lowry Loveless, also a former vice-president, who is to assist Mr. Penter.

Mr. Green declared that the Fishers resigned "not because of any wrongdoing but to co-operate with the board and to allow it to work with the commission" in connection with the hearing to be held in Austin, June 18. Mr. Green, who is directing the company's

defense against the insolvency charges, said that in his opinion the company was "in the black" by some \$400,000. He also commented on values given to several pieces of real estate held by the company, announcing that an appraiser is being employed to determine the value of the various properties, including a 12-story home office structure.

Occidental of California has its second best month in May as individual life sales totaled \$96,350,219.

Be Proud, Wash. Natl. District Agents Told At Rally In Chicago

Salesmen, especially life insurance salesmen, should be proud of their occupation, Bert Palo, special agent Prudential, told 431 field delegates attending Washington National's district agency convention at Chicago's Edgewater Beach hotel.

During his talk, the title of which was the same as his book, *Motivation Means Millions*, Mr. Palo outlined his sales method. He said, "When I speak to a prospect—and to me all people are prospects—I speak for the children. I give the prospect time to talk too, for I love to hear objections. Objections are necessary to close the sale." He also stressed the importance of controlling the interview at all times.

Executive Vice-president C. H. Kendall, in elaborating on the convention's theme, "Your Progress—Our Future," noted that the field man's growth and progress formed an integral part of the company.

Other speakers were E. H. O'Connor, managing director Insurance Economics Society; Paul W. Watt, president Washington National; Raymond J. Wetterlund, board chairman; G. R. Kendall, co-founder and executive committee chairman, and G. Preston Kendall, executive vice-president and secretary.

Special convention events included a performance of "My Fair Lady," luncheon at Tam O'Shanter country club, a visit to the company's home office in Evanston, and a grand banquet.

April Sets Records For State Mutual's Sales

State Mutual Life set new monthly records in April for life and A&S sales. The April records followed the largest first quarter in the company's history.

Sales of individual life insurance in April totaled \$16,178,372, while the four-month total through April exceeded \$62 million, up 26%. Sales of individual A&S policies during the same period were up 18%.

The group division reported total annualized group income to be 25% ahead for the four months. April new business premiums were 7½% ahead.

Fox River Agents Elect Banks

Fox River Valley (Wis.) Assn. of Life Underwriters has elected James D. Banks, Old Line Life, president; William Quinn, Equitable Society, and Robert C. Bird, National Guardian Life, vice-presidents; and Vern Thorson, National Guardian, secretary-treasurer.

LIFE EXECUTIVE POSITIONS \$10,000-\$15,000

Men in 30-45 age range with successful backgrounds as personal producers and Home Office experience ranging from 8 years up with college backgrounds qualify for these positions.

Southwest—Home Office
Agency Direct \$15,000
South—Home Office Ass't. Direct \$13,500
Southwest—Regional Manager \$12,500
East—Life Executive Assistant \$10,000
West Coast—Agency Assistant \$9,000
Very attractive selection of life positions available all areas of the country—Home—Branch—General Agencies. Confidential handling all inquiries. Write for HOW WE OPERATE.

FERGASON PERSONNEL

INSURANCE PERSONNEL EXCLUSIVELY
330 S. Wells St. Chicago 6, Ill.
Harrison 7-9040



Helping the salesmen sell the Family Plan . . .

Stepping out to help its agents and brokers sell the Family Plan, Connecticut Mutual has a complete Family Plan Sales Kit. Here's what it includes:

1. Handy Slide-Guide tells benefits and rates; pull the slide so Dad's age shows through the window, and there's all the data.
2. A letter service to get leads from prospects. Written to a pattern that produces results.
3. A folder to use before, during or after interviews that tells the Family Plan story attractively, interestingly.
4. A visual brief to show a prospect exactly what he gets for how much.
5. A manual of sales ideas telling the details of the Connecticut Mutual's Family Plan and exactly how to present it.

Larger Amounts at Lower Unit Cost

The basic unit of Connecticut Mutual's Family Plan is \$5,000 on Dad with proportionately lesser amounts of insurance for Mother and the youngsters—the policy guarantees to in-

sure children yet to come at no increase in premiums. In Connecticut Mutual, 1, 1½, 2, 2½ or 3 units (\$15,000) may be bought. When 2 or more units are bought, each unit costs less!



The Connecticut Mutual
LIFE INSURANCE COMPANY · HARTFORD



WE SALUTE OUR FIELD ASSOCIATES
OVER \$200,000,000 IN FORCE
 IN FIVE YEARS OF ACTIVE OPERATION

THERE IS A REASON FOR OUR PROGRESS

End of 1953	\$29,675,468
End of 1954	46,659,409
End of 1955	79,264,707
End of 1956	127,927,609
To Date	\$200,000,000 PLUS

WRITE OR WIRE CONCERNING YOUR OPPORTUNITY
 IN THIS DYNAMIC SALES ORGANIZATION
 OPERATING COAST TO COAST IN 32 STATES
 AND THE DISTRICT OF COLUMBIA

LEO SEXTON
 Senior Vice President

JAMES B. SISKE
 Agency Vice President

JOSEPH M. McCARTHY
 Assistant Vice President

JAMES G. RANNI, President

MIAMI



FLORIDA

Standard Life Of Ind. Pleased With Mutual Fund Tie-Up

Inquiries from executives of other companies plus a sharp increase in the number of inquiries received about agency representation make Standard Life of Indiana feel that in providing its agents with access to mutual fund shares, it is leading a trend in the business. H. J. Noel, vice-president,

says Standard has had more inquiries about agency representation in the first quarter of 1953 than it had in the entire year of 1952.

In late 1952, the company purchased controlling interest in the Advisers Fund Management Corp., national distributor for Advisers Fund Inc., a fully-managed, open-end investment trust. In states where the law allows, Standard's agents are licensed as securities salesmen as well as insurance agents.

Standard offers an investor in the

fund at the time of complete termination of the plan, a single-premium, immediate annuity contract based on the investor's then age, at the guaranteed rates set forth in the prospectus at the time the fund purchase was made.

"In other words," Mr. Noel explains, "the shareowner is provided with a life contingency pay-out option."

The company has also worked out a plan under which life insurance premiums and purchase money for fund shares may be paid in one automatic check transaction by a remittance to the Irving Trust Co. of New York.

Equity Investment Is Logical

"The feeling of Standard Life is that an equity investment of some kind seems to be a logical part of any substantial estate or estate program," Mr. Noel states. "How much or in what proportion depends on individual needs, and who is better able to advise a man on his financial picture than the life insurance agent with a good acquaintanceship with one of the more conservative types of equity investment, mutual funds?"

A surprising number of those inquiring about agency representation indicate they are currently licensed to sell securities through local security houses, Mr. Noel reports.

In practice, according to Mr. Noel, Standard agents attempt to sell life insurance. If the prospect is uninsurable or disclaims a need for life insurance protection, then the agent proceeds on the basis of money needed in the future that can be provided by guaranteed dollars (annuities) and equity dollars that may appreciate with the economy and may act as a hedge against inflation, but with no guarantee to the investor.

"This approach might be termed the 'living' approach and is proving highly successful," he states.

"Standard Life wants to sell life insurance; but it feels that the addition of mutual fund shares to its salesmen's portfolios will aid them to sell more life insurance," he explains.

The company also feels that in addition to agency inquiries, its brokerage business will increase as a result of the mutual fund connection. "Actually," according to Mr. Noel, "the fund shares can be sold by any qualified life underwriter and securities salesman whether he sells them in addition to a Standard Life policy or to a policy contract of his own company. Of course, no life insurance policy at all need be sold."

Observers' Stand Noted

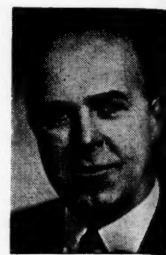
Observers point out that under the plan, Standard Life is able to offer what amounts to a variable annuity during the accumulation period without having in its investment portfolio any large block of common stock. The only common stock it needs to carry is the relatively small-to-total-assets block sufficient to control the Advisers Fund Management Corp. Thus a sharp fall in the value of common stocks would have little effect on the valuation of the insurance company's assets.

Advisers Fund Management Corp. is a member of the National Assn. of Securities Dealers. Agents selling the fund must also be qualified members of NASD.

Jefferson National Life has just celebrated its 19th and most successful anniversary month with combined life and A&S sales 36.4% above the same month last year.

Important Changes In Premium Rates Over, Says Dawson

SAN FRANCISCO—Louis W. Dawson, president of Mutual of New York, said that he doubts that we can expect to see many important changes in premium rates for personal insurance in the near future. "Instead, companies will have to be 'more ingenious in design and in merchandising those products we now have, at existing premium rates.'"



Louis W. Dawson

Reviewing the progress that companies have made in pricing and product design in recent years, Mr. Dawson said the industry "has developed entirely new policies . . . liberalized our contracts, to bring them in line with recent experience and the public's changing needs . . . reduced margins in premiums when they seemed greater than were needed under present day conditions. We have introduced the principle of the quantity discount, to encourage larger insurance purchases by the average family."

Key To Continued Sales

"On all these matters, however, we and other companies have gone about as far as we can go," he said. The keys to continued sales momentum will be in the design and merchandising of existing products, he added.

Mr. Dawson, Roger Hull, executive vice-president, and other Mutual Life officers were here for four days of business meetings with nearly 400 agents from the United States and Canada, who are members of the Top Club Round Table and Top Club, leading production honor groups. Presiding was Stanton G. Hale, vice-president for sales.

Mr. Dawson told the group also that the company is becoming increasingly concerned about the impact of taxes on people who own life insurance with mutual companies. "The growth of federal income taxes paid by life insurance companies represents one of the greatest potential threats that our business has had to face in many years," he said, adding:

"Life insurance has traditionally been reserved by Congress as a source of tax income for the individual states, rather than for the federal government. Our industry consequently pays a very heavy load of special state taxes—chiefly premium taxes—to which other types of business are not subjected. In recent years, however, the federal government has been extracting a steadily increasing amount of federal income taxes from life insurance companies."

"The combined weight of both state and federal taxes means that income from life insurance funds today is more heavily taxed than income received from any other form of thrift or saving. This has placed an unfair burden on the policyholders of mutual companies, who must bear the impact of the tax in such companies; and it is steadily increasing the cost of their insurance protection."

"It is our contention that life insurance

(CONTINUED ON PAGE 25)

For the
"Senior
Partner"
GUARDIAN'S
PR-85

For the client over age 50 — either an individual or a principal in a business insurance case — GUARDIAN'S Preferred Risk 85 is an attractive buy — low premiums, high dividends, high cash values.

And if the insurance is needed for business or tax purposes, the flexible provisions of GUARDIAN'S modern contract — such as the right, where owner is beneficiary, to name a new beneficiary within 90 days after the insured's death — provide many important advantages.

General insurance brokers and surplus writers are cordially invited to call the nearest Guardian manager for full information, or write . . .

The **GUARDIAN** Life Insurance Company
OF AMERICA

LIFE • ACCIDENT AND HEALTH • GROUP

A Mutual Company—Established 1860

50 Union Square—New York 3, N. Y.

Wash. Supreme Court Changes Mind; Rules Life Policy Is Taxable

Reversing a stand it took last year, the Washington supreme court has ruled that the cash value of a life policy paid from community-property funds is subject to Washington state inheritance tax. The 5-to-4 decision also over-ruled a 1948 opinion that cash value is not property if it passes by will or by statute of inheritance.

The reversal was upon petition by the state tax commission for a rehearing. The case was originally tried in Spokane county superior court, which ruled that such policies are not subject to the tax. The issue centered around an attempt by the commission to impose an inheritance tax upon half the \$60,000 cash value of six policies on the life of Walter M. Leuthold, whose widow, Grace, died in 1952.

Supreme Court Judge Donworth, who wrote the majority opinion, said that there can be no doubt that the policies were community property (personal) at the time of Mrs. Leuthold's death. "The situation in the present case is no different than if Mr. Leuthold had taken community funds and opened a savings account with a bank in his own name," Judge Donworth wrote. "It makes no difference whether the community account under the control of the husband is with a bank or a life insurance company."

Speaking for the minority, Chief Justice Hill contended that no interest in the cash value passed by will or inheritance, and that the majority failed to explain how any portion passed to anybody. Noting that the legislature in '49, '51, '53 and '55 refused the tax commission's request for such a tax, Justice Hill accused the majority of legislating, and said "I would leave legislation to the legislature, particularly the imposition of taxes."

Country Life Attains \$800 Million In Force

More than 800 Illinois farm bureau leaders, and agents and employees of Country Life celebrated the company's attainment of \$800 million of insurance in force at a Springfield meeting late last month. The figure represents a doubling of what the company had in force as of 1950.

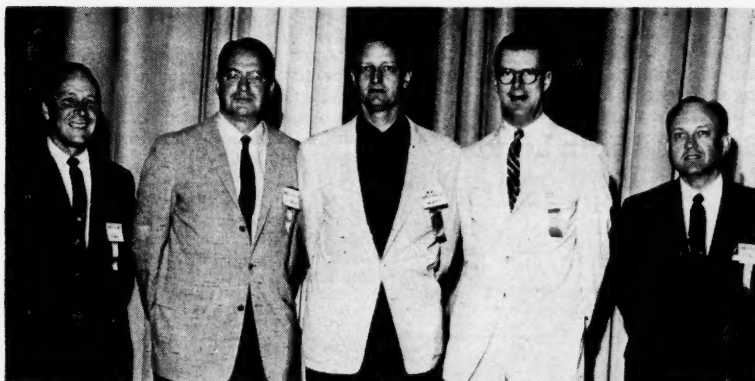
William Kuhfuss, president Illinois Agricultural Assn., of which Country Life is an affiliate, addressed the group and noted that the company's achievement "is remarkable when one considers that the company, operating only in Illinois and principally serving farm families, reached \$800 million in only 29 years."

Leading agents of the company were awarded trophies and plaques at the meeting.

Citizens L.&C. Is Going To Write Life Coverage

LOS ANGELES—Citizens Life & Casualty, which heretofore has not used its certification to do life business, has now actively entered the life field. Bernard P. Mazel has been named superintendent of agencies to create a new agency force. The company will offer a special whole life policy.

Citizens Life & Casualty is wholly owned by National Automobile & Casualty and the present move indicates its following of the general trend toward multiple line writing.



MASSACHUSETTS MUTUAL AGENTS ASSN. officers elected for the next two years: From left, Charles S. Motz, Atlanta, president; Donald F. Lau, Detroit, and Ewing Carruthers, Memphis, vice-presidents; Forbes S. Tuttle, Syracuse, secretary, and John P. Veith, St. Louis, treasurer.

Term Rates Reduced At All Ages By Manufacturers Life

Manufacturers Life has further reduced rates for term plans at all ages. For example, the annual premium per \$1,000, at age 40, on a yearly renewal

basis has been reduced to \$5.99, 5-year term to \$6.63, 10-year term to \$7.62 and 15-year term to \$8.93. The 5-year renewable term rate, at age 40, has been reduced to \$7.46 per \$1,000. The minimum annual premium for all term plans has been set at \$60.

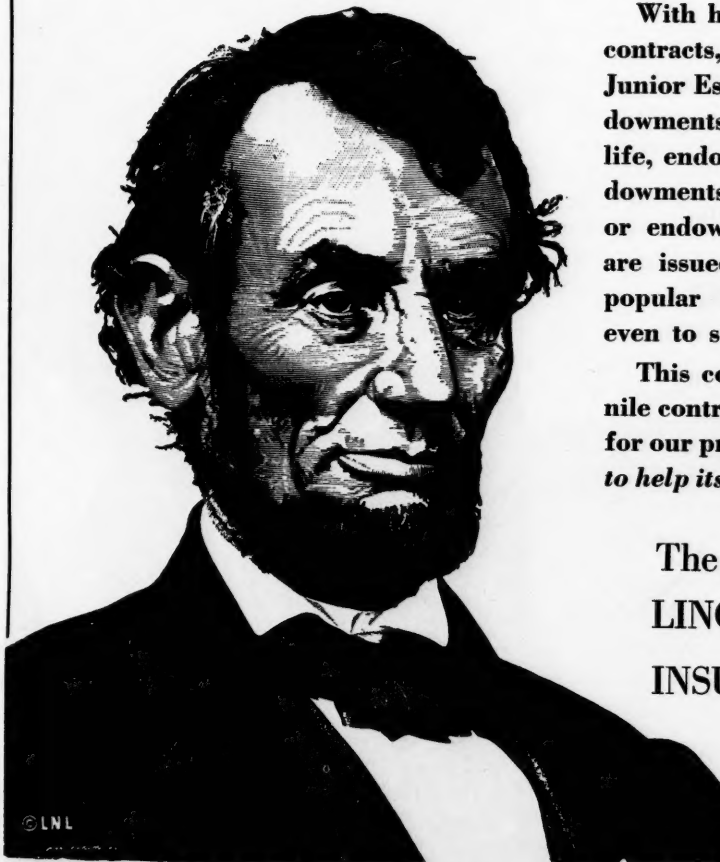
NALU President Urges Formation Of GAMC Units In 53 Cities

WASHINGTON—Albert C. Adams as president of National Assn. of Life Underwriters, has written presidents of 53 local units of NALU suggesting the formation of associations of general agents and managers in their cities.

"Through programs of the General Agents & Managers Conference of NALU and through GAMC-sponsored local units, general agents and managers avail themselves of the opportunity to exchange ideas to their mutual advantage and to improve their knowledge of agency management," Mr. Adams wrote.

Accompanying each letter was a guide for setting up a local general agents and managers association. Mr. Adams said additional information, if needed, could be obtained from Donald A. Baker, GAMC executive director, 1800 H street, N. W., Washington 6, D. C., or Tom L. Mitchell, 1243 Brown Marx building, Birmingham 3, Ala., GAMC's extension committee chairman.

ATTRACTIVE JUVENILE CONTRACTS



With his complete line of juvenile contracts, the LNL man can sell the Junior Estate Builder, educational endowments, ordinary or limited pay life, endowment at 65, short-term endowments, and single-premium life or endowment plans. These policies are issued from date of birth. The popular payor benefit is available even to substandard risks.

This complete line of liberal juvenile contracts provides another reason for our proud claim that *LNL is geared to help its field men.*

The
LINCOLN NATIONAL LIFE
INSURANCE COMPANY

Fort Wayne, Indiana

Its Name Indicates Its Character

©LNL

Name Robert E. Aker Employers Life V-P

Robert E. Aker has been appointed vice-president of Employers Life, a newly formed affiliate of Employers group of fire and casualty companies.

Mr. Aker, who will direct life company operations, was recently vice-president in charge of Security-Connecticut Life, an affiliate of Security-Insurance group. In 1946 he entered the insurance field as an agent for

Aetna Life and Aetna Casualty. He joined Mutual Service insurance companies in 1951 as agency secretary and director of training, later becoming manager in Minneapolis.

Boston Again Leads Cities' Ordinary Gains

For the second straight month, Boston showed the greatest rate of increase in ordinary sales among the large cities with 31% for April, and a rise of 29% for the first four months.

Percentage gains for the seven other largest U. S. cities for ordinary sales in April and the first four months, respectively, were Chicago 6 and 0, Cleveland 2 and 3, Detroit -15 and -7, Los Angeles -12 and 2, New York 5 and 14, Philadelphia 4 and -3, and St. Louis 2 and 4.

Colonial Life has been licensed in Florida, Kentucky, Minnesota, Rhode Island and West Virginia, making a total of 15 states, together with the District of Columbia and Puerto Rico, in which the company is licensed.

3 In New Posts At American Bankers

American Bankers Life of Miami has advanced Leo Sexton to agency senior vice-president; James B. Siske to agency vice-president, and Joseph M. McCarthy to assistant vice-president.

Mr. Sexton joined the company in 1956 after a quarter-century in the life insurance business.

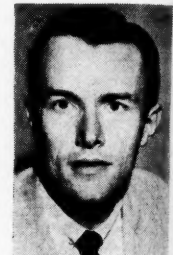
Mr. Siske has been with the company since 1953 and was its first supervising general agent. He has been in life insurance sales and management



Leo Sexton



James B. Siske



J. M. McCarthy

since 1947. He went to the home office as director of agencies.

Mr. McCarthy was in the field five years before joining the home office staff. He has been eastern supervisor of agencies, devoting most of his time to the Atlantic coast states and Ohio and Pennsylvania.

The company now is doing business in 32 states and the District of Columbia. Insurance in force was \$186 million at the year-end, with assets of \$3,712,191.

FTC Upheld In Two Mail Order Cases

ST. LOUIS—U. S. Court of Appeals in a three to two decision has upheld the FTC in its cease and desist orders against American Life & Accident and Automobile Owners Safety Ins. Co.

The major issue was the fact that the advertising and sales material on which the action of the FTC was based had been submitted to and approved by the commission's administrative staff before the orders were issued. The majority opinion swept aside this evidence and all other arguments and sustained the contention that under the law it was the duty of the FTC to proceed as it did to enforce the provisions of the FTC act.

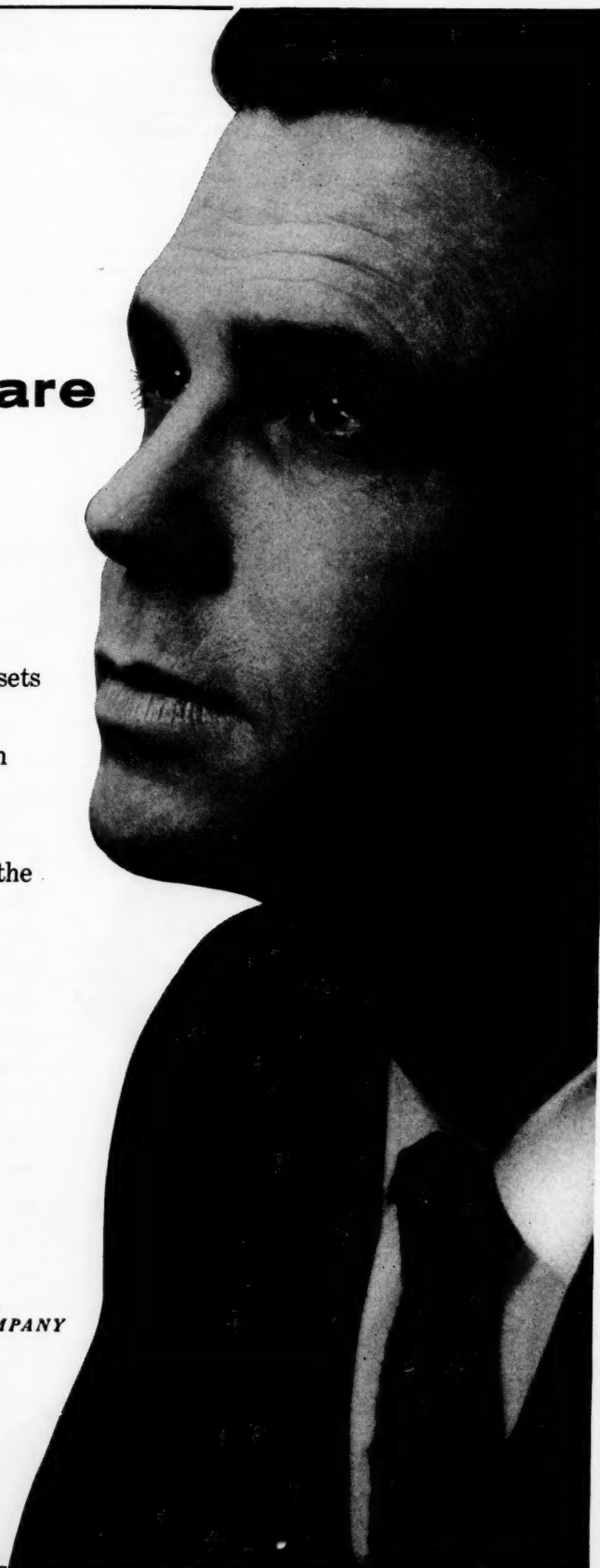
Cites Moral Aspects

In a dissenting decision, Circuit Judge Johnson touched upon the moral aspects of the FTC in promulgating trade practice rules for mail order insurance and allowing its staff to exercise advisory functions on approval of forms and advertising and then, without notice, repudiating the staff action and without requesting the insurers to cease further use of the approved material, to file a complaint. "It seems to me that this constituted fundamental lack of fair play in administration and processive arbitrariness in hearing," Judge Johnson wrote. He said he did not see how using material approved by the FTC staff could constitute "deceptive acts or practices" and suggested the case be remanded to the FTC.

His sights are HIGH

The John Hancock representative knows that his only limitations are those he sets himself. With the training and counsel available to him through John Hancock, he develops his own talents, expands his own goals. He gains a clear view of the tremendous opportunities that lie ahead . . . in personal satisfaction . . . prestige . . . financial reward. The John Hancock representative sets his sights high, true. But few men — in any profession — have better reason to do so.

John Hancock
MUTUAL LIFE INSURANCE COMPANY
BOSTON, MASSACHUSETTS





AT KANSAS CITY LIFE,
THE AGENT IS

Key Man

M E M O

DEPT. B



KANSAS CITY LIFE INSURANCE CO.

FROM: W. E. Bixby, President

TO: C. W. Arnold, Vice-Pres.- Supt. of Agencies

SUBJECT: HIGHER PREMIUM CONTRACTS

Dear Buzz,

The continued success of our agents remains our number one goal. We focus our attention on sales-training material and programs that mean higher commissions for the agent. It is not enough to offer our agents only desirable working conditions such as good contracts, favorable rates and the numerous fringe benefits. We feel also that Kansas City Life agents must have earnings consistent with their position in the community and that assure a sound financial future. Since such earnings cannot be maintained by the sale of lower premium insurance, we place our emphasis accordingly on the sale of policies which bring our key men higher commissions and renewals.

WEB:LB

Broadway at Armour in Kansas City, Missouri



'Post' Spotlights Discriminatory Rates Blue Cross Pays For Hospital Service

The Blue Cross system of getting 5 to 15% discounts on hospital services, thereby boosting the amounts paid by non-subscriber patients, insurance companies and charitable contributions, is spelled out for the edification of some 5½ million readers in the June 14 *Saturday Evening Post*.

This discriminatory situation has long been known in the insurance business, but it is the first time it has been broadcast to the general public on so wide a scale. For millions of the general public it will be their first opportunity to learn whether they are beneficiaries or the victims of this form of discrimination.

Writer Milton Silverman, in the second article of a three-part series, "The Post Reports on Health Insurance," pointed out that Blue Cross enjoys a preferred relationship with its member hospitals and that leaders in the field have scored "the widespread though unpublicized system of hospital rebates to Blue Cross."

"Under this system," the *Post* article continues, "patients with Blue Cross are generally charged from 5 to 15% less than are patients with commercial insurance or with no insurance at all. To make up for the deficit, the hospitals usually raise their prices to non-Blue Cross patients, run money-raising drives or turn for help to the local Community Chest."

Both insurance companies and employers, the article says, describe the Blue Cross rebate system as "a low blow and an outrageous discrimination."

The insurance business however,

did not escape completely unscathed in the *Post* article. After citing several instances in which administrators had been milking labor union health and welfare funds, some almost to the point of bankruptcy, the article stated that there were several cases where "insurance agencies or insurance companies were found to be so hungry for the union's health insurance business that they bribed union officials with

National Underwriter In Great-West Stone

WINNIPEG—The April 26 edition of *THE NATIONAL UNDERWRITER* was preserved for posterity at a date-stone ceremony at the new Great-West Life head office building. The copy was placed in an airtight record box which was then inserted in the walls of the building behind the date-stone by D. E. Kilgour, vice-president and managing director of Great-West Life.

The date-stone was set in place by Premier Douglas Campbell of Manitoba. Other items placed in the record box included a microfilm of company officers, staff, and members of the field organization; specimen policies; a list of company securities; pictures of the company officers and board of directors; current pictures of Winnipeg; and 1958 minted coins of Canada and the United States.

The new Great-West head office building was started in March, 1957, and is expected to be completed in the late spring of 1959.

secret rebates or commissions."

While the *Post* quite fairly did not belabor this point, the magazine did overlook the fact that the kickback arrangement was primarily the brain-child of racketeering fund managers and not a policy which is encouraged by insurance agents or their companies.

These and other abuses, the *Post* article said, have a direct relationship to the perennial need by insurance companies for an increase in rates.

Doctors, patients and hospitals were each accused of helping to add considerably to the burden of health insurance costs.

'Gouging' Is Reported

Gouging, the article reported, is a far too prevalent practice among some unprincipled doctors once they learn that patients are covered by health insurance programs. This is a racket among certain surgeons who automatically increase their fees by as much as 50 to 100% when they realize that either Blue Cross or an insurance company is footing the bill.

Some doctors, the *Post* article revealed, have a set range of fees for any particular treatment, and most often the cost to the patient is based on his ability to pay. When a doctor feels that a patient can afford no more than his minimum figure, he sets his fee at the low end of the scale. But the moment he realizes that this same patient is covered by some kind of health program, the fee is set at the higher end.

Among doctors and insurance companies this is known as "fudging," and although the practice is not considered unethical in the strictest sense of the word and a doctor may feel he is hon-

(CONTINUED ON PAGE 21)

J. McCall Hughes Heads Controllers

J. McCall Hughes, vice-president and controller of Mutual of New York, has been elected president of Controllers Institute of America, effective Sept. 1. He has been a member of the institute since 1945 and is chairman of the organization's planning committee. He headed its admissions committee in 1950-51 and served on the board of directors in 1951-54.

Mr. Hughes is also a trustee of the institute's research arm, Controllershship Foundation, Inc., which he headed as president in 1954-56.

Pacific Actuaries Meet, Talk Taxes

Actuarial Club of the Pacific States, holding its annual spring meeting in Longview, Wash., chose as one of the main topics on its program the current situation of life insurance as regards federal income taxation. Henry Rood, vice-president of Lincoln National and president of Society of Actuaries, gave a brief history of tax legislation from 1913 to date, pointing out the complexities in finding a permanent tax law that would be simple, adequate and acceptable.

Already Taxed Heavily

R. B. Richardson, president of Western Life and former president of American Life Convention, mentioned that life insurance companies are already being taxed more heavily than other types of business, such as mutual funds and savings banks, which are competing for the savings dollar. A. L. Buckman, vice-president and actuary of Beneficial Standard Life, stated that proposals to tax life companies on the basis of total net income instead of investment income could well lead to the mutualization of existing stock companies and prevent the formation of new companies.

Other topics were family policies and the technical problems arising from this rapidly expanding type of coverage; and the guaranteed future insurability riders recently introduced. Advisability of smaller companies entering the A&S field also received attention.

Math Students Entertained By N. Y. Area Companies

An area-wide program instituted by Mathematical Assn. of America and the Actuaries' Club of New York went into effect recently when high school mathematics students visited the home offices of several leading life companies in New York and New Jersey. The purpose of the program was to introduce the young men and women to the essentials of a mathematical career in insurance.

Colonial Life Outing Planned

Colonial Life home office employees held their annual outing on June 10 at the Rockaway River Country Club, Denville, N. J. A buffet luncheon was served and a program of athletic games was sponsored by the employees' athletic association. Dinner in the evening was followed by entertainment and dancing.



The SOWER...

In its symbolism is every tenet
upon which our business is built.

Symbol of Faith

The Sower symbolizes the spirit of the pioneers of our country; those who on faith came to the vast wilderness of this land to build new homes, new lives and a new nation. Our land is built on faith... just as life insurance is built on the faith and trust of those who have turned to us for protection.

BANKERS LIFE OF NEBRASKA
LINCOLN

General American Makes Revisions In Its Whole Life Plans

General American Life has introduced sweeping revisions and improvements in its whole life plans.

Effective immediately, the company is introducing three revised types of whole life policies, each with premiums, dividends and policy values geared to a different level of quantity purchase. They are:

1. **Economaster**, an endowment at 90 plan, that is sold in amounts of \$15,000 and up. It has recently accounted for almost 40% of General American's individual life sales. The Economaster dividend scale was recently increased. The policy now has such features as a new dividend option, a return of premiums benefit, liberalized minimum ages and lowered substandard extra premiums.

2. **Econolife**, a new ordinary plan that will be sold in amounts of \$5,000 to \$14,999. Standard premiums have been lowered sharply—because of the expected average-size policy under the plan. The new policy provides a substantial improvement in cash values in the first 20 years over the old ordinary life plan.

3. **Econoplan**, a new endowment at 95 plan, that will be sold in amounts under \$4,999. This plan is designed for a dual use—for basic life coverage in the smaller average size policy field at all ages, and for ages 66 to 75 in amounts from \$2,500 up. Econoplan will be available to substandard risks at all ages up to 70.

The company has issued a temporary rate-dividend booklet on its program so its field representatives can get into production immediately.

The return of premium benefit on Economaster and Econolife policies provides for the return of a sum equivalent to the annual standard premiums paid on the basic policy in the event of death of the insured during the first 20 years but not beyond age 70. It can be offered along with a family income agreement. With Economaster, it is designed especially to preserve a sizeable death benefit for the beneficiary in split-dollar and funded plan cases.

Economaster has a new one-year term dividend option, the purpose of which is to preserve the full face amount of insurance for the beneficiary in cases where the cash value is being borrowed or assigned. The policyholder agrees to leave all dividends on deposit with General American. In return, the company agrees to apply a sufficient amount of dividend deposit each year to purchase one-year term insurance of an amount equivalent to the cash value of the policy at the end of the policy year. This option can be added to existing Economaster policies subject to evidence of insurability.

The minimum age on Economaster policies has been lowered from 15 to 10. There is no minimum age for Econolife or Econoplan.

Jackson Heads HIAA Company Relations

Frederic W. Jackson, assistant director of company relations of Health Insurance Assn., has been appointed director. He was assistant manager of the group department of Equitable Society until 1956.

For the present, Mr. Jackson will remain in the New York office, but will eventually direct company relations activities from Chicago.

NEW OFFICERS
of Home Life of New York's managers association, elected at the annual meeting in Belleaire, Fla.: From left, William J. McFeeley Jr., Baltimore, secretary-treasurer; William T. Bolton, Philadelphia, president, and Hadsell S. Easton, Cleveland, vice-president. Elected to the executive committee were James S. Dudley Jr., Atlanta, Harold A. Loewenheim, New York, Clifford O. Pratt, New York, and Paul F. Saint, Boston.



Twin City Claim Assn. Elects Robert Tangeman

Robert Tangeman, Minnesota Mutual Life, was elected president of Twin

City Life A&H Claim Assn. Other officers elected are: Clifford L. Thompson, Lutheran Brotherhood, vice-president; Norman Meyer, St. Paul H. & C., secretary, and James Bingham, Ministers L. & C., treasurer.

Slate Conference On Building Successful Retirement Programs

WASHINGTON—How to build successful employee retirement plans will be the subject of a regional conference on employee pension plans at the Pick-Nicollet hotel, Minneapolis, June 18. Some 350 business men from Minnesota and nearby states are expected to attend. The conference is sponsored by the national and Minneapolis chambers of commerce.

The advantages of various retirement plans will be described by specialists. Insurance men on the program are Richard L. Yake, consultant with Towers, Perrin, Forster & Crosby, Inc., New York, "Modern Trends in Pension Planning," Meyer Melnikoff, associate actuary Prudential, "Group Annuities," and Verne J. Arends, assistant secretary Northwestern Mutual Life, "Individual Policy Pension Trusts."

Farmers Life of Des Moines has had its name changed to **United Security Life**.

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Our Home Office Representatives, who recently attended a series of comprehensive seminars on Pension and Profit Sharing Plans, are ready to serve you with helpful information.

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STATE MUTUAL LIFE ASSURANCE COMPANY OF AMERICA
Home Office: Worcester, Massachusetts

COMPLETE LINE

Severances Down, Illness-Absence Up, In 69 Life Companies

A survey of 70,664 clerical employees of 69 life companies conducted by Life Office Management Assn. shows that during 1957 there was a reduction in separation rates and an increase in illness-absence rates compared with 1956. In 1957, 88,000 more days were lost than in the previous year among companies participating in the survey.

Asiatic flu seems to have been the major cause of the increase.

Among women employees there was a rise in the average number of days lost from 6.50 in 1956 to 7.62 in 1957. Illness-absence rates for men increased from 3.08 to 4.02 days. While the number of absence periods remained about the same, the length of them increased about 17% among women and 30% among men.

Separations Decrease

Separation rate for women was 36.2% in 1957, compared with 37.8%

in 1956; rates for men averaged 18.5% last year compared with 22.5% in 1956. The general decreases are believed to reflect the beginning of the recession.

The trend for both illness-absence and separations during 1957 reversed 1956 figures, when illness-absence rates dropped and separation rates went up.

During 1957 the ratio of unfilled clerical positions to total staff dropped sharply. There was a decline from 2.8% on Jan. 1, 1957, to 1.5% on Dec. 31, 1957.

31 College Insurance Teachers Will Study Home Office Methods

This summer 31 college and university teachers of insurance will spend some four to six weeks at insurance company home offices under a fellowship program, now in its eighth year, to study company policies, procedures and problems.

The fellowships are under a cooperative program sponsored by American Assn. of University Teachers of Insurance in conjunction with LIAMA, Health Insurance Institute, American Mutual Alliance, Assn. of Casualty & Surety Companies and National Board of Fire Underwriters.

Dean Laurence J. Ackerman of the University of Connecticut school of business administration is chairman of the coordinating committee which administers the program.

Assigned To Life Companies

Those assigned to life companies are Burl M. Abel, Texas Tech, to Provident Life & Accident; James L. Athearn, University of Florida, to Northwestern Life of Seattle; Robert E. Bray, University of Missouri, to Kansas City Life; Jay D. Cook Jr., Washington & Lee University, to Shenandoah Life; McKee Fisk, Fresno State, to New England Life; David R. Fitch, Texas A&M, to Great Southern Life; John R. Fonseca, State University of New York, to Security Mutual Life of Binghamton, N.Y.; Sam E. Ganis, Ohio Wesleyan, to Connecticut Mutual; Gustave F. Goetz Jr., Seton Hall, to Metropolitan Life; Kenneth W. Herrick, Texas Christian, to Republic National; F. H. Hickman, University of Idaho, to Occidental of California; Hal F. Hotl, Phoenix College, to Southwestern Life; David B. Houston, University of California, to Equitable Society; Mary F. Kangley, University of North Carolina, to John Hancock; C. H. Scott McAlister, Indiana University, to Travelers; Robert I. Mehr, University of Illinois, to New York Life; Neil D. Reznik, University of Pennsylvania, to Provident Mutual; Kenneth Sharkey, Purdue, to Northwestern Mutual; James W. Van Winkle, Montana State, to Prudential; Allan Vickers, University of Denver, to Massachusetts Mutual.

The Time is NOW!



The past dozen years have seen more changes in the life insurance industry than the preceding hundred years. The next dozen years are likely to be even more exciting . . . and profitable . . . for the professionally-minded life insurance counselor.

The inevitable boom in the 60's. Higher income levels. New tax and estate problems. New Social Security applications. Rapidly expanding Group Insurance and Pension Plans. Use of Mutual Funds in estate planning. Annuities. Personal and family finance. Knowledge of these and much more will build your client's confidence in you.

Rich rewards will go to the career underwriter who devotes time and talent now, pre-

paring himself to become a C.L.U. and render the brand of life insurance service more and more of today's clients *require and expect*.

No other industry surpasses life insurance in available professional training. Pinnacle of this training is the Chartered Life Underwriter program of the American College of Life Underwriters. Minnesota Mutual is pleased and proud to number many C.L.U.s among its field force and home office staff. We encourage others constantly to study and work for this honored designation. Talk it over with your Manager or General Agent, your local C.L.U. chapter, or a friend or colleague who is a C.L.U.



The Minnesota Mutual Life

Insurance Company

VICTORY SQUARE • ST. PAUL, MINNESOTA

Ground-Breaking With A Bang For Berkshire

Berkshire Life employees witnessed unusual ground-breaking ceremonies for the new home office building in Pittsfield, Mass.

Unlike the usual turning of earth with a spade, Berkshire's ground-breaking was dramatically tied in with actual excavation work by the explosion of two charges of dynamite. President W. Rankin Furey and Cashier Lawrence B. Cook, senior home office employee in length of service, set off the first charge. Vincent J. Miranda of West Palm Beach and Joseph E. McCombs, Washington, D. C., qualified to push the plunger on the second charge as company leaders in cases and volume, respectively, during the period April 14-28.

The occasion was also Mr. Furey's fourth anniversary as president of Berkshire Life.

The building is due to be completed by the fall of 1959.

Bankers Life of Iowa issued and paid-up business for the month of April amounted to \$19,900,599, an increase of more than \$2 million over the same month last year.

APPEARING 134,866,000 TIMES

... to help land more sales of this popular New York Life product!

Dramatic Advertisements like this one will be seen by millions in *Life*, *Saturday Evening Post*, *Look*, *Better Homes & Gardens*, *Time*, *Sunday Newspaper Magazine* Sections and daily newspapers. They'll help stimulate even greater demand for New York Life products.

For today's new patterns in living...
New designs for financial security from New York Life!

the new method

New plan for modern families insures the lives of you, your wife, your children—all in one convenient policy!

A faster pace of living... more things to plan and enjoy together... add up to a whole new look in today's family living. And designed to fit into this modern pattern is New York Life's new Family Insurance Plan—a single low-cost policy that protects you, your wife and children now... helps meet future needs as well. If your family qualifies, each unit of Family Insurance provides these important benefits:

- \$5,000 permanent insurance for you which builds generous cash and retirement values.
- \$1,250 insurance for your wife if she's your age—more if younger, less if older.
- Her coverage continues until your age 65—can then be converted to permanent insurance.
- If she dies before you, insurance becomes payable and then \$1,250 additional insurance covers you until age 65.
- \$1,000 coverage for each insured child which continues until his age 22 or your age 65—whichever is earlier—which can then be converted to as much as \$5,000 of permanent insurance.

New babies automatically are covered for \$500 from 15 days old to 6 months—thereafter for \$1,000—at no premium increase. What's more, if you die, the term insurance on your wife and children becomes fully paid up! Premiums are realistically low, too. At age 30, for example, only \$12.17 per month for each unit of Family Insurance. Only \$11.72 under Check-O-Matic. New York Life's special monthly premium payment plan. And dividends can reduce premium payments even further. Ask your New York Life agent about this modern "all together" way to protect your family—or write to address below.

*All expiration dates given on policy satisfactory seven age shown.

The New York Life agent in your community is a good man to know.

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Life Insurance • Group Insurance • Annuities • Accident & Sickness Insurance • Pension Plans

THE NEW YORK LIFE AGENT
IN YOUR COMMUNITY
IS A GOOD MAN TO KNOW **BE**

Insurance Trust Preferable In Estate Planning

(CONTINUED FROM PAGE 5)

the attainment of age 21 is not tantamount to maturity.

I feel that adequate life insurance funds alone are not always sufficient for orphaned children, be they under or over 21, but a well created estate plan, arranged in coordination with a sound life insurance program, including a contingent life insurance trust with a competent trustee, cannot help but fulfill a father's sense of family responsibility.

The third question which I think deserving of special attention is, "Will the beneficiary receive the full amount of death proceeds?"

While it is true that with very few exceptions, life insurance policy proceeds in the state of New York, payable to a named beneficiary, are free from attachment by creditors, they are not free from the burden of estate taxation unless proper provision for relief from this burden has been made by the insured.

Refers To N. Y. Law

In this connection I refer you specifically to section 124 of the New York decedents' estate law. In essence this section says that all property in a decedent's taxable estate shall bear its proportionate share of estate taxes.

Lack of regard for this provision is improper estate planning. Frequently, life insurance beneficiaries dependent upon income from policy proceeds receive a lesser amount than contemplated because the last will of the testator did not specifically provide that all taxes due from property passing under the will and outside of the will—that is, probate and non-probate property—should be borne by the assets making up the probate property.

Regardless of whether or not life insurance proceeds qualify for the marital deduction, it is possible that a life insurance beneficiary may be called upon to contribute a substantial percentage of the proceeds to the amount of estate tax payable by the estate of the insured. For example, in an estate of \$200,000 to \$250,000 the federal estate tax bracket is 27.6%. There, if proper provision is not made, it is possible that the beneficiary of a \$50,000 life insurance policy making up part of this estate may be called upon to contribute as much as \$13,800 in federal estate taxes. If we consider the human aspects of this situation, it is not difficult to imagine the possible dire effects of the loss to the beneficiary of over 25% of the policy proceeds.

An Incomplete Will

The provision in the last will of a decedent that merely says "... all taxes shall be paid from the residue of my estate ..." does not include the payment of taxes due on non-probate property such as life insurance. Of course, if the testator, who is also the owner and the insured, desires to have his life insurance beneficiaries pay their proportionate share of estate taxes, he need not include a provision in his will that taxes due from probate and non-probate property be paid from the residue of his probate estate.

One of the very important services a life underwriter can render to his insured is to suggest that these clients consult with their attorneys to make certain that all life insurance policies are coordinated with the client's overall estate planning picture.

The next question is, "To what extent will minor beneficiaries be required

to share life insurance policy proceeds with the federal government if their parents should die in a common disaster?"

Section 89 of the New York decedents' estate law refers to a very important estate planning tool that, in my opinion, is not sufficiently utilized. This section of the law deals with simultaneous death, and similar statutes have been enacted in over forty states.

State Statutes Make Provision

Many wills provide that in the event of the simultaneous death of the testator and a legatee that the testator "... shall be deemed to have survived the legatee." Actually no such provision is necessary in a will as state statutes generally make such provision.

As life underwriters you should be interested in this provision of the law because simultaneous death statutes apply with equal force to life insurance policies, and anything I say in connection with simultaneous death provisions in a will can be utilized in connection with life insurance policies.

The New York statute permits a "reverse presumption of survivorship." In effect this means that one who makes a will can provide in his will that, in the event of the simultaneous death of himself and a legatee, the person drawing the will shall be deemed to have pre-deceased the legatee. Of course this only applies when the order of death cannot be definitely established.

What is the effect of using such a reverse presumption of survivorship? Primarily it can preserve the benefit of the marital deduction. For example: Assume that Joe Testator has an adjusted gross estate of \$200,000 which he leaves to his wife so that one-half qualifies for the marital deduction, and the other half is placed in a non-marital deduction trust with income to his wife for life and ultimate vesting in his children. Assume, also, that Mrs. Testator does not have an estate of her own.

Death Statutes Cited

If Mr. and Mrs. Testator die under circumstances that do not make it possible to determine which one survived, the simultaneous death statutes provide that his property is to be distributed as if his wife had pre-deceased him. This would call for a federal estate tax of \$31,500, as it would not have been possible to take advantage of the marital deduction because Mr. Testator did not leave a surviving spouse. However, if the reverse presumption of survivorship had been properly used, that is, if provision for it had been made in Mr. Testator's will and life insurance policies, it would only apply to the half that qualified for the full marital deduction, and then in the event of simultaneous death, with the reverse presumption of survivorship, one-half of Joe Testator's estate would qualify for the marital deduction, tax free, and the other half would go directly to Joe Testator's secondary or ultimate beneficiaries, necessitating a tax payment of \$4,800.

Mrs. Testator's estate (the portion that qualified for the marital deduction) left to her in her husband's will, by virtue of the reverse presumption of survivorship, would necessitate the payment of federal estate taxes of only \$4,800, thus making it possible in the event of the simultaneous death of Mr.

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Income Protection is reducing Term, issued as policy or rider, for any period of 10 to 50 years, payable as monthly income or lump sum, and even eligible for Occidental's famous Disability Income rider if the owner qualifies.

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and Mrs. Joe Testator for his estate of \$200,000 to go to his children or other ultimate beneficiaries with a federal tax cost of only \$9,600, instead of \$31,500—a saving of \$21,900.

It is true that there would be additional administration and probate expenses on the \$100,000 that represents the marital deduction property that would go to Mrs. Testator, but this amount could not possibly equal the savings of taxes accomplished by the use of the reverse presumption.

Have Few Requests

A reverse presumption in a will does not include life insurance. However, it is interesting to note that most life insurance companies have received few, if any, requests from policy owners or their professional representatives for the inclusion of a reverse presumption of survivorship in life insurance policies that qualify for the marital deduction.

Practically every life insurance company will agree to the inclusion of a common disaster or a time clause in a life insurance policy, and some companies even include it automatically, but this is not the reverse presumption of survivorship to which I have made reference. The only real benefit that can be derived in the event of a common disaster, when a common disaster or a time clause is included in a life insurance policy, is that the proceeds will go directly to a contingent beneficiary instead of going to the estate of the insured. However, if the primary beneficiary is the spouse of the insured, and is deemed to have predeceased the insured, the marital deduction benefit is lost.

Affects Life Insurance Most

The reverse presumption of survivorship in a life insurance policy qualifying for the marital deduction is particularly important in those estates that are composed largely of life insurance. This could affect most decedents in the middle class—those in the \$100,000 to \$300,000 bracket, which would include most professionals, many business men and others in a personal service business.

Therefore, the specific answer to the question: "To what extent will minor beneficiaries be required to share policy proceeds with the federal government if their parents should die in a common disaster?" depends on whether or not the life underwriter and the attorney for the insured coordinate their thinking and their planning so that the life insurance companies will be properly advised regarding the disposition of policy proceeds in the event of a common disaster involving the insured and the wife of the insured, who is usually designated as the primary beneficiary.

The fifth and last point is the answer to the question, "What are the human and practical benefits of settlement options for a surviving spouse?"

Inflation Here To Stay

A look at any cost-of-living index will serve as an excellent background for consideration of this question. Such an index will indicate a steady and constant increase in the cost of living over the past 15 years, and many of the country's top economists believe that this inflationary pattern is with us to stay. A well-conceived estate plan, therefore, should be just as effective in the changing economic climate of 1968 or 1978 as it is when it is arranged in 1958.

We know that settlement options are an excellent way in which to provide

Contribute \$60,000 To United Jewish Appeal

NEW YORK—More than 150 New York life insurance men contributed \$60,000 to the United Jewish Appeal relief and rescue fund at the annual luncheon, at which David Marks Jr., general agent of New England Life at New York, was honored for his service to the business and to philanthropy.

Mr. Marks was presented an illuminated scroll. Clarence Oshin, manager for Home Life of New York, who is serving as honorary chairman of the life insurance division of the current drive and who was guest of honor last year, received a special Ben Gurion award.

Jack D. Garfunkel, independent, chairman of the division for the second consecutive campaign, thanked the contributors and outlined the job still to be done.

Mass. Mutual Awards Field Championship

Albert J. McNulty of Framingham and Boston has won the field championship award of Massachusetts Mutual. In delivering \$557,625 of ordinary life on 67 lives, Mr. McNulty led 47 other members of the home office school for underwriters in six months of field competition. He scored a clean sweep of sales honors, placing first in volume, lives and commissions.

In over-all performance, Samuel C. Lytle of Baltimore, Frank Rockwell of Peoria, Harry B. Leslie of Portland, Me., and Charles E. Mitchell of San Antonio finished second, third, fourth and fifth, respectively.

for a definite and orderly liquidation of policy proceeds, and at the same time provide a fixed and regular income to the surviving spouse. By the use of the settlement options, other than the pure interest option, the surviving spouse is entitled to a federal income tax benefit, namely, the surviving spouse need not report any of the interest income which is received simultaneously with part of the principal until such interest income amounts to \$1,000 annually, which is exempt. But, are we not doing our clients an injustice if, in attempting to save a few income tax dollars, we arrange for his wife to have an inadequate income for life? I firmly believe that if funds are limited, or if the estate is not liquid, proper estate planning demands that a surviving spouse have an adequate income for even a comparatively short period of time rather than an inadequate income for life.

No Longer Adequate

For too often, because an estate plan lacks flexibility and, frequently, because not enough thought was given to economic trends, we find payments being made under settlement options that may have been adequate—and perhaps more than adequate—at the time arrangements were made, but this income, although guaranteed, is grossly inadequate today.

For this reason I believe that a certain portion of almost every insurance estate should be left to a surviving spouse in a lump sum, or left at interest if so desired, but with the right of invasion given to the beneficiary. This privilege of invasion of life insurance funds, not rigidly controlled as are funds left under fixed life insurance settlement options, can act as a cushion which the beneficiary can tap, if necessary, for emergencies and opportunities which may arise.

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If You Are Interested In Making Money—Not Just Today But Years From Now—remember you can start a chain reaction of sales by writing

S. Robert Rauwolf, Vice President, Dept. J

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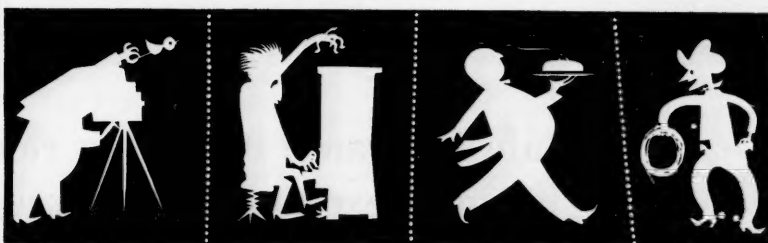


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INSURANCE COMPANY

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Florida Rules On Profit Sharing, Coupon Policies

Commissioner Larson of Florida has ruled that the words "profit sharing" on a policy are misleading to the public and that no "coupon" policy will be approved unless it bears these words on the face: "The premium above in-

cludes an extra premium of \$..... for coupon benefits," or equivalent wording.

The commissioner's instructions to life companies were to mark out the words "profit sharing" on their present stock of policies.

The nature of coupons, the commissioner ruled, is not understood by the public. Some prospects believe that they are profits and do not realize they are paying a premium for pure endowment benefits.

Big Changes In Michigan Blue Shield Benefits

The Michigan department has approved a broadened service by Michigan Medical Service (Blue Shield). The changes embody many of the recommendations obtained from the public through a comprehensive medical care

survey conducted last year by Michigan Health Council.

The new plan offers more realistic income ceiling contracts which give full payment for surgical, in-hospital medical care and obstetrical deliveries for the majority of Blue Shield subscribers whose annual wages do not exceed \$7,500. Coverage of surgery or obstetrical delivery is provided either in or out of a hospital.

Four separate income ceiling plans are provided, one at \$2,500, another at \$5,000, a third at \$7,500 and the fourth for more than \$7,500. The income category is determined by employer reports of salaries paid. Participating doctors agree to accept as full payment the benefits provided under the first three contracts.

List New Benefits

New benefits provided on a "share-the-cost" basis include diagnostic laboratory services in doctor's office or the hospital out-patient department; diagnostic X-ray; radiology services utilizing accepted therapy for treating malignancies; payment to a doctor assisting a surgeon in hospital operations; payment for medical consultation when a hospital patient. These services are provided on a moderate "deductible" basis, with the member paying the first \$5 or 10% of cost, whichever is greater.

Monthly rates for the new program range from \$1.80 for an unmarried subscriber under the \$2,500 contract to \$7.67 for a full family under the \$7,500 contract.

Southeastern Actuaries Meet At Chattanooga

Southeastern Actuaries' Club held its spring meeting at Read House in Chattanooga. Major subjects discussed were processing, underwriting problems and trends, and special coverages.

Speakers and their topics were: Charles Van House, vice-president Coastal States Life, "Integrated Data Processing;" James M. Bates, vice-president and actuary Home Security Life, "The Ramac;" H. C. Unruh, chief actuary Provident L.&A., "IBM 650—Ordinary Applications;" Morton J. Kent, vice-president and actuary, and Noel Barron, assistant secretary, both of Interstate L.&A., "IBM 650—Industrial Applications."

At a luncheon, John Chambliss, general counsel Provident L.&A., spoke on "Scenic Chattanooga."

Featured speakers on the afternoon program were: W. W. Voight, vice-president Provident L.&A., "Is It Practical for the Small Company to Enter the Pension Field?;" Arnold H. Anderson, chief actuary Life & Casualty of Tennessee, "Non-medical and Group;" A. U. Jenkins Jr., associate actuarial director Prudential, "The Family Plan and Related Problems;" and Robert M. Denham, actuary Mutual Savings Life, "Military and Aviation Underwriting."

Philadelphia GAMA Formed

Philadelphia General Agents & Managers Assn. has been formed and each member automatically will be a member of General Agents & Managers Conference of National Assn. of Life Underwriters. The new GAMA is an outgrowth of General Agents & Managers committee of Philadelphia Life Underwriters Assn.

With this most recent addition, 90% of all local management organizations automatically include GAMC dues with local dues and are on 100% membership basis.

Heading the new association are L. Kent Babcock Jr., Aetna Life, president; Thomas F. Irwin, Provident Mutual Life, vice-president, and Frederick Wright, Penn Mutual, secretary-treasurer.

It's part of living to prepare for retirement...



FREE ON REQUEST: FRAMEABLE 11 X 14 REPRODUCTION OF THIS PHOTO BY YLLA.

...Life Insurance for Living can make it the most exciting time of your life!

What's your idea of the ideal retirement? A rocking chair... or interesting, fun-filled activity? A recent survey showed that 3 out of 4 Americans are anxious to remain active and useful after reaching retirement age. Some want to continue their present work as long as they can; others would like to taper off or shift to a lighter job, enter civic activities, youth work.

One feeling is universal—no one wants an empty, meaningless existence in retirement. That's where modern life insurance can help—by assuring the financial freedom that makes possible a retirement you can enjoy.

Right now is the time to start the planning that will let you decide when you want to retire and

what you want to do in those later years. To help you plan properly—to help you avoid a disappointing, hit-or-miss approach to those important years—we have assembled some interesting case histories of people who are carrying out definite plans for happy retirement. Ask your local N/W National agent to show you our *Catalog of Exciting Retirement Activities*.

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N/W NATIONAL
Life Insurance for Living

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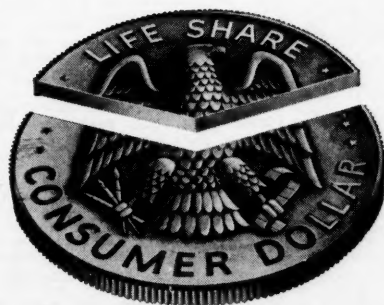
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These newly released figures from **LIFE's Study of Consumer Expenditures** reaffirm what **LIFE** advertisers already know: that all across the country, people who read **LIFE** are the people who are receptive to selling messages . . . the people who actually do the better-than-average purchasing.

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Source: **LIFE's Study of Consumer Expenditures.**

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Only **LIFE** gives you so much selling support . . . so swiftly, so surely

Editorial Comment

'The Heart Of This Business Of Ours'

"Let us sell all the big policies we can but let us not forget our duty to provide protection wherever needed—for that is the heart of this business of ours."

That statement, made by President Clarence J. Myers of New York Life at the recent annual meeting of Canadian Insurance Officers Assn., expresses succinctly and eloquently a sentiment that needs to be kept in mind at all times but particularly now.

We say "particularly now" because the O'Mahoney investigation of the insurance business, under the aegis of the Senate anti-monopoly subcommittee, is already gathering material for its inquiry into the fire and casualty insurance business and will be turning its spotlight on the life business before too much longer.

The investigators would be politically obtuse—and that is not the way they got elected to Congress—if they didn't focus their spotlight on what kind of a job the life insurance business, under state regulation, is doing for the "little man." How is all the talk of "upgrading" of prospecting, cheaper-by-the-dozen policies, special policies, and discouraging of the writing of small policies going to sound to those professing a concern about the rank and file of life insurance buyers?

All these developments we have listed, and various others indicating a degree of big-case orientation, are perfectly sound and justifiable, on social and humanitarian grounds as well as on coldly economic considerations. The question is, How can they be made to sound to investigators who are not necessarily pre-sold on the situation as they find it?

It seems as if one of the projects that could well be undertaken before Sen. O'Mahoney begins calling life insurance witnesses to the stand would be to build up the best possible case for the tremendous job that the life insurance business has done for the "little man." Developments like the pre-authorized plan check, for example, and the family plan. The emphasis that combination companies have given monthly debit ordinary so that those who can afford to pay less frequently than weekly are able to save money thereby.

As indicated in an article elsewhere in this issue, there are indications that the sales deterrents of the New York insurance law will come in for some cold-eyed scrutiny from the anti-monopoly investigators guided by Sen. O'Mahoney. Life companies licensed in New York have had to put up with section 213's acquisition cost restrictions for so long that many spokesmen of the business have come to look upon these shackles with a sort of pride.

Admittedly, section 213 has kept costs down. But in an economy where the selling cost of nearly everything is completely free from statutory controls, doesn't it seem a little silly to

clamp strict ceilings on what life companies can pay to get the citizenry decently insured? How much comfort is it to a widow on relief to know that the insurance her husband might have purchased would have been real cheap, on account of section 213—except that he didn't buy it because commission rates were held so low it wasn't worth an agent's while to solicit him.

The life insurance business has lived so long with section 213's hobble that it may have forgotten how these leg-irons look to someone with an objective, fresh viewpoint—say, a member of a Senate anti-monopoly subcommittee. Until now, section 213 has been so firmly entrenched that there wasn't too much practical sense in questioning its basic soundness from a broad, social point of view. Nobody outside of New York could do anything about it and New York's insurance department and lawmakers seemed happy about the whole thing.

Ever since the Supreme Court's Southeastern Underwriters Assn. decision, Congress had had the power to supplant state regulation of insurance. But only now, through the anti-monopoly subcommittee, is it getting around to seeing whether the states are doing a good enough job to be left in control.

It's quite conceivable that the investigators, on studying New York's extra-territorial expense limitation laws, may wonder whether national regulation of the insurance business should be in the hands of a single state—however wise and beneficent that state may consider itself to be.

It isn't difficult to imagine an investigating subcommittee member, unawed by either New York or its insurance laws, asking the New York insurance superintendent some questions along these lines:

"Mr. Superintendent, isn't it true that in four out of five families no member has as much as \$5,000 of life insurance?"

"Doesn't this indicate that greater incentives are needed for the sale of life insurance?"

"Isn't it a fact that New York's section 213 limits the selling incentive artificially instead of permitting it to find its own level through the law of demand and supply as in most other businesses?"

"Since the public is obviously seriously underinsured, don't you agree that selling incentives should be permitted to increase to the natural level set by competition rather than being artificially held down and thus restricting sales?"

"Wouldn't proposals for over-liberal social security benefits be easier to head off if every possible deterrent to selling more life insurance were removed?"

"Doesn't it seem inconsistent to you to be so zealous to prevent a buyer from paying a few dollars more for life insurance when the state places

no obstacles in the way of his paying anything the traffic will bear for nearly everything else?"

Incidentally, there is one point that should not be permitted to confuse the public. The subcommittee's counsel, Donald McHugh, in his recent talk at the American Management Assn. insurance conference, indicated that the subcommittee would be looking for any evidence of using restrictive state laws to keep new companies from being formed or out-of-state competitors from being licensed.

New York's requirements for the formation of new companies are tough, as is its expense limitation law, but there have been no accusations that any of this was instigated by either New York domiciled companies or out-of-state companies licensed in New York. With only 71 of the nation's 1,300 life companies being licensed in New York, it may seem to the investigators that New York has walled off a lush market for the benefit of the 71 licensees that are willing to put up with the state's restrictions.

But if the investigators are inclined to blame New York's laws for the small number of licensees and for the sharp drop in percentage of total insurance in force that these companies account for, the blame cannot be laid at the doors of the companies. The investigators should place the blame right smack where it belongs: On New York state's preoccupation with selling costs to the degree that it overlooks what Mr. Myers called "our duty to provide protection wherever needed."—R.B.M.

Personals

Dr. Norvin C. Kiefer, chief medical director of Equitable Society, has been named to the newly formed tuberculosis control advisory committee of U. S. Public Health Service by Surgeon General Leroy E. Burney. Dr. Kiefer was with U. S. Public Health Service for eight years before joining Equitable Society, and has done extensive work in tuberculosis control and rehabilitation. He is president of National Health Council.

W. Clement Stone, president of Combined, received an "industrial good neighbor award" from Chicago Assn. of Commerce and Industry, for the company's part in Mayor Daley's program to make Chicago "America's cleanest city."

James E. Oates Jr., president and chairman of Equitable Society, spoke Sunday at the commencement program of Lake Forest (Ill.) College.

Deaths

MRS. EMMA J. FREDRICKSON, 92, the mother of E. H. Fredrickson, retired Philadelphia manager of the National Underwriter Co., died at Swedish hospital, Minneapolis.

HELMUTH G. BRUNNQUELL, 78, retired assistant actuary of Northwestern Mutual Life, died in Milwaukee. He started in insurance in 1898 with Northwestern Mutual and was

The NATIONAL UNDERWRITER



The National
Weekly Newspaper of
Life Insurance

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Manager

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342, Tel. Liberty 2-9229. Roy H. Lang,
Southern New England Manager and John
F. MacNamara, Northern New England
Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd.,
Tel. WAbash 2-2704. A. J. Wheeler, Chicago
Manager. R. J. Wiegand and William D.
O'Connell, Resident Managers.

CINCINNATI 2, OHIO—420 E. Fourth
St., Tel. Parkway 1-2140. Chas. P. Woods,
Sales Director; George C. Roeding, Associate
Manager; Roy Rosenquist, Statistician.

CLEVELAND 14, OHIO—1367 E. 6th St.,
Lincoln Bldg., Rm. 208, CH 1-3396. Paul
Blessi, Resident Manager.

DALLAS 1, TEXAS—309 Employers Insurance
Bldg., Tel. Riverside 7-1127. Alfred E.
Cudis, Southwestern Manager.

DENVER 2, COLO.—234 Commonwealth
Bldg., Tel. Amherst 6-2725. J. Robert
Ebelhardt, Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance Exchange
Bldg., Tel. Atlantic 2-5968. D. J.
Stevenson, Resident Manager.

DETROIT 26, MICH.—613 Lafayette Bldg.,
Tel. Woodward 5-2305. William J. Gessing,
Manager for Indiana and Michigan.

INDIANAPOLIS 20, IND.—5634 N. Rural
St., Tel. Clifford 3-2276. William J. Gessing,
Manager for Indiana and Michigan.

LOS ANGELES 66, CAL.—11326 Kingsland
St., Tel. TEexas 9-8159. E. C. Faris, Associate
Pacific Coast Manager.

MINNEAPOLIS 2, MINN.—1038 Northwestern
Bank Bldg., Tel. Federal 2-5417.
Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—17 John St.,
Room 1401, Tel. BEekman 3-3958. J. T.
Curtin and Clarence W. Hammel, New York
Managers.

NEWARK 2, N. J.—10 Commerce Ct., Tel.
Market 3-7019. John F. McCormick, Resident
Manager.

PHILADELPHIA 9, PA.—123 S. Broad St.,
Room 1027, Tel. Pennypacker 5-3706. Robert
I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg., Tel.
Chestnut 1-1634. Geo. E. Wohlgenuth, Resident
Manager.

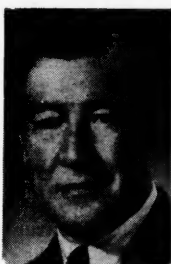
SAN FRANCISCO 1, CAL.—582 Market St.,
Tel. EXtbrook 2-3054. Richard G. Hamilton,
Pacific Coast Manager.

CHANGE OF ADDRESS

Be sure to enclose mailing wrapper with new address. Allow three weeks for completion of the change. Send to subscription office, 420 E. Fourth St., Cincinnati 2, Ohio.

with the company until 1912 when he left to take a special insurance mathematics course at the University of Wisconsin. From 1920 to 1930 he was with the Wisconsin insurance department as assistant actuary, re-joining Northwestern Mutual in a similar capacity in the latter year. He retired in 1949.

JOSEPH E. CHANDLER, 66, as-
sistant to the president of Sun Life of
Canada since 1950,
and until recently
mayor of Hudson
Heights, where he
lived, died after a
long illness. He
left the Montreal
Star in 1919 to join
the home office
staff, later becom-
ing press bureau
supervisor, public-
ity officer, and in
1944 executive as-
sistant. He was a
past chairman of the life advertisers
section of Canadian Life Insurance
Officers Assn.



J. E. Chandler

THOMAS H. DANIEL SR., who re-
tired as general agent of Union Central
Life at Atlanta in 1951, died after a
long illness. He joined the Union
Central agency at Atlanta in 1898,
becoming general agent in 1905. He
was past president of Atlanta Life
Underwriters Assn.

J. NORMAN WIGGINGTON, 71, re-
tired general agent at Lexington, Ky.,
for Provident Mutual Life, died at
Lexington.

MARTIN L. McINTIRE, 51, secre-
tary of Inter-State Assurance, died at
Iowa Methodist hospital in Des Moines
after a heart attack.

TERENCE F. CUNNEEN, 65, attor-
ney for Life Insurance Assn. of Amer-
ica since 1944, died at New York Hos-
pital after an illness of several weeks.
Before joining LIA he practiced law in
New York, served as a deputy New
York insurance superintendent and
was insurance department manager of
the U. S. Chamber of Commerce.

Stocks

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, June 10, 1958

	Bid	Asked
Aetna Life	190	193
Beneficial Standard	14	15
Business Men's Assurance	73	75
Cal.-Western States	79½	81½
Columbian National	76½	Bid
Commonwealth Life	22	23
Connecticut General	266	269
Continental Assurance	126	128
Franklin Life	63	65
Great Southern Life	72	75
Gulf Life	21¼	22¼
Jefferson Standard	76	78
Kansas City Life	1260	1285
Liberty National Life	30	31
Life & Casualty	21¼	22¼
Life of Virginia	94	97
Lincoln National Life	196	199
National L. & A.	82½	84½
North American, Ill.	16¼	17¼
N. W. National Life	85	Bid
Ohio State Life	260	275
Old Line Life	42	44
Republic Natl. Life	51	53½
Southland Life	80	84
Southwestern Life	100	105
Travelers	74	75
United, Ill.	26	27
U. S. Life	34¼	36
West Coast Life	34½	35½
Wisconsin National Life	64	67

Farmers & Traders Life of Syra-
cuse has been licensed in Virginia,
North Carolina, South Carolina and
Florida.

'Post' Puts Spotlight On Blue Cross

(CONTINUED FROM PAGE 12)

estly charging a fair price for his serv-
ice, it often adds as much to insur-
ance costs as do the pricing habits of
the doctor who is consciously trying
to b.l.k insurance companies.

Insured patient abuses, too, are
adding considerably to the costs, ac-
cording to Mr. Silverman. Some pa-
tients are demanding and getting
treatment which they ordinarily would
not require or ask for if they were
not covered by some type of health
insurance program. One of the worst
offenders in this group is the insured
who has been paying his premiums for
years without ever having collected on
his insurance, and suddenly decides
that he wants to get his money's
worth.

Unreasonable Demands Type

This is the type who makes un-
reasonable demands upon his insur-
ance company for all sorts of treat-
ment not covered in the policy, or
simply decides that he needs a well-
earned rest and commits himself to a
hospital on the vaguest pretense. He is
the type who, for one reason or an-
other, feels that he ought to get back
some of his premium, writes Mr. Sil-
verman, "even if he has to get himself
carved up by a surgeon to do it."

Mr. Silverman mentions the fact
that a national survey by Health In-
formation Foundation showed that a
higher percentage of insured patients
go to a hospital each year than un-
insured patients.

The survey quoted in the *Post* fur-
ther showed, "The typical patient with
health insurance spent an average of
one day a year in the hospital, as
compared to 0.7 of a day for the typi-
cal uninsured patient."

While in the hospital 9% of insured
patients underwent surgery of some
type, yet only 5% of those uninsured
went under the knife.

Tennessee Case Reported

One case in Tennessee reported by
Mr. Silverman involved a woman who,
when she wanted to go away alone
with her husband for a week-end,
deposited her daughter in the local
hospital on a Friday night and told
admitting officers that she "thought"
the child had measles. She then went
off until the following Monday when
she returned to pick up the child. In
this particular case, Blue Cross paid
the room, board and baby-sitting bills.

Certain hospital practices mentioned
by the *Post* article which helped to
raise insurance rates were:

The habit some institutions have of
admitting patients on a Friday even-
ing for laboratory examinations, when
hospital officials know full well that
their labs are closed on week-ends. A
charge of from \$20 to \$25 a day is
thus unnecessarily added to the bill
because the patient cannot be tested
until the following Monday morning
when the laboratory personnel return
to work.

Permitting patients to take home
medicine which in many cases is
enough to last them for several
months, just because some insurance
company is picking up the check.

And despite overcrowded conditions
in most hospitals, the very common
practice by many of them of con-
sciously trying to keep every hospital
bed filled, thus encouraging unneces-
sary and lengthy stays among patients
who could just as easily be treated at
home.



you must have heard about
SHENANDOAH!

Don't just take our word for it — ask any
Shenandoah Life man if the new Field Sales
Plan isn't something worth celebrating.

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Changes In The Field

American Mutual Life

Four general agents have been appointed by American Mutual Life. **James D. Friberg**, named at Sioux City, has had experience as agent, district agent, and regional supervisor. **Carl Whitmer**, named at Belleville, Mich., has been in sales work most of his life. **John George**, named at Pano-

rama City, Cal., has been in the business two years. **Joseph Hubler**, named to San Diego, has been in life insurance for the past nine years.

John Hancock

John Hancock has opened a new group claim field office in Dayton. **Herbert E. Walker Jr.**, formerly man-

ager at Cleveland, has been appointed manager. **Donald E. Graham**, regional manager of midwest claims offices, has been appointed manager at Cleveland. **J. E. Stenzel** has been appointed manager of the group claim office at Wichita and **John M. Wallace** has been appointed assistant manager at Buffalo.

American United Life

Paul P. Stewart has been appointed San Diego agency manager by American United. Mr. Stewart has been in life sales and management since 1947.

All American L.&C.

Robert E. Little has been appointed director of agencies, western division, for the company.

Mr. Little, who resides in San Carlos, Cal., will direct sales and services on the west coast. Well known for his leadership in insurance association activities in the life and A&H field, he is currently president of California State A&S Assn., board member of San Francisco A&H Managers Assn.; vice-president California State Assn. of A&H Managers. He was the founder and first president (1954-55) and chairman (1956) of California State Assn. of A&H Underwriters. He was also instrumental in drafting the first code of ethics for the A&H producers, which was adopted substantially in its original form by International Assn. of A&H Underwriters.

Mr. Little specializes in personal insurance sales and has served as field representative, director of training and general agent for Paul Revere Life and Massachusetts Protective, covering counties to the Oregon state line. Before that he was with Columbian National Life as a general agent.



R. E. Little

Bankers Life Of Iowa

P. A. Briglia and **Joseph H. Hinkes** have been appointed agency managers by Bankers Life of Iowa. Mr. Briglia will manage the new Duluth agency.



Joseph H. Hinkes



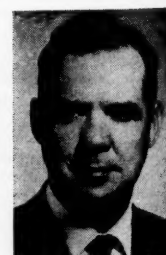
P. A. Briglia

He entered business as special agent for Aetna Life in 1954, later moving to Union Trust Life. He is currently vice-president of Duluth A&H Assn.

Mr. Hinkes, who will manage the South Bend, Ind., agency, replaces W. K. Hamilton who resigned. Mr. Hinkes joined the company in 1953, and has been a field supervisor since 1956.

State Mutual Life

Bert Huggins Jr., has been appointed manager at Kansas City for State Mutual Life. He has been in the life insurance business since 1952.



Bert Huggins, Jr.

New York Life

New York Life has appointed **Arthur D. Sim** manager at Oak Park, Ill., to succeed **Harold E. Holly**, who has been appointed director of management training at the home office. Mr. Sim has been management assistant at the home office.

Mutual Trust Life

Elia Battisti has been named general agent in Fresno, Cal. He has been with other life companies in Madera and Fresno since 1954, most recently in supervisory positions.

Albert L. Meredith has been ap-

Because You Can Obtain for Him a Loan Rate as Low as 3½% on the Cash Value of His Life Policies.

(adds up to extra sales, extra profits for YOU, too.)

You know your clients — and in most cases you know the ones who are seeking or have placed loans on their policies. By simply putting them in touch with us and assisting in completing the loan, you share our commissions . . .

And Your Client Saves!

Hundreds and hundreds of existing policy loans now being placed at higher rates of interest — can be refinanced and placed with us at DECIDED savings to the borrowers.

These savings usually will (and have time-and-time again) more than amount to enough to purchase a new policy WITH YOU to liquidate the debt in the event of death.

Policy Holders' Service Bureau is the only national company making and specializing in cash-value life insurance loans. We have handled more than \$165,000,000 of these loans since 1937.

Write or call for full information . . .

CHECK LIST OF IMPORTANT POLICY HOLDERS' SERVICE BUREAU ADVANTAGES

LOW INTEREST
Plus full protection for your client

NO SURRENDER
Unless client allows policy to lapse

REPAYMENT PRIVILEGE
None, Part, or All may be paid on principal without penalty

BENEFICIARY PROTECTION
Your client's program won't be disturbed

NO CREDIT INVESTIGATION
We rely solely on credit reputation of the insurance company

INSURANCE KEPT IN FORCE

We work to maintain, reinstate or conserve your client's insurance—or lose a loan

Policy Holders' SERVICE BUREAU

ARTHUR I. BOREMAN & SONS
1912 Grand Avenue • Des Moines 5, Iowa

530 West Sixth Street
LOS ANGELES, CALIF.

You'll Be Nine Feet Tall in your clients' eyes...



*"We've only got ten minutes—so for Pete's sake,
don't ask him what's new at Provident Mutual!"*

New developments at Provident Mutual are putting a gleam in many a broker's eye. A general reduction in standard premium rates . . . higher dividend scale . . . quantity discount on policies over \$4,000 . . . new automatic payment plan.

In accident and sickness protection, Provident Mutual has reduced rates approximately 6% on new income protection policies. Conversion privi-

leges have been liberalized in many term plans, and a 5-year renewable term policy has been introduced. New and flexible group pension plans are featured, together with a complete line of group insurance coverages including the small business.

These are some of the reasons why sales-minded brokers are taking the time to find out what's new at Provident Mutual. It could pay *you* too.

Provident Mutual

Life Insurance Company of Philadelphia

pointed manager of a new agency in Columbus, O., where he has been in insurance since 1946 as a personal producer and manager.

Lincoln National Life

Edwin S. Ehlers has been appointed general agent in South Bend, Ind. He has been associate general agent in



Robert A. Frisch



Edwin S. Ehlers

the O. Frank Helvie agency since 1955, and now succeeds Mr. Helvie, who is retiring.

Robert A. Frisch has been appointed general agent in Philadelphia.

L. H. Graves Jr. has joined the reinsurance department staff of Lincoln National as executive assistant in

the Dallas regional office. Mr. Graves for nine years was a senior officer of two other companies before joining Lincoln National.

Prudential

Walter S. Payne, manager of a Los Angeles agency bearing his name, has retired after 35 years with the company. He joined Prudential in 1922 as an agent at Salt Lake City and served also in Idaho and Montana. In 1938 he became manager at St. Louis. He went to Los Angeles in 1942. He is a past president of Salt Lake City Life Underwriters Assn. and of the managers and general agents associations there and in Los Angeles.

Aetna Life

Vern A. Bourassa, has been promoted to assistant general agent of Aetna Life at Flint, Mich. He joined Aetna in 1955 at Saginaw and the following year was named district manager of the agency's Flint office.

Kansas City Life

LeRoy Montgomery has been named general agent in Michigan with offices at Royal Oak. He has been with the company for nine years. His territory

will comprise Detroit and surrounding counties.

Occidental Of California

J. Robert Phelps has been named manager of the Detroit office, succeeding Stanley A. Gitre, who is now a general agent in Harper Woods, a Detroit suburb. Mr. Phelps joins Occidental after serving as an agent in Detroit for Equitable Society since 1949.

Donald E. Forsyth has been named assistant brokerage manager in Detroit. He joins Occidental after serving as an agent in Canada for Prudential.

Thomas L. De Cillis has been named assistant brokerage manager in the Newark office. He joins Occidental after being with Bankers National Life since 1956.



J. Robert Phelps

Provident L.&A.

Provident L.&A. has appointed Leslie L. Grubin general agent at San Francisco. He has been manager at Oakland and assistant general agent at San Francisco for Pacific Mutual Life.

Massachusetts Mutual

Massachusetts Mutual has appointed Fred A. Lawton district service manager of the group office at Houston. He has been assistant manager of the home office group claim division.

Phoenix Mutual Life



J. J. Sprinzl

J. J. Sprinzl has been named manager of the newly opened branch office in Phoenix. He was formerly a division manager for Prudential.

State Mutual Praised For Hostess Training Program

State Mutual Life was commended in a recent issue of *Public Relations News* for its hostess training program that enabled the company to show some 40,000 people through the building at the time of its dedication last November. The training program, lasting for six weeks, included specially prepared material on the building, the company's history and development. A seven page suggested script for the tour was written.

The lectures covered State Mutual's organization and policies, tour techniques, and how to handle questions and difficult situations that might arise during the 10 days of the dedication. The 50 hostesses averaged five tours a day each. All the hostesses were employees, selected and trained by David G. Muller, assistant personnel director, and John D. Drummey, director of public relations.

Continental Cas. Names Gavin Div. Sales Head

Continental Casualty has appointed Ralph J. Gavin commercial division sales manager. He had formerly been executive special agent in the A&H special risks division, Chicago.

Mr. Gavin joined Continental in 1953 and after a period of training in the home office, became commercial special agent in the Chicago A&H office.

Sees Agent Unrest From Touting Management

(CONTINUED FROM PAGE 4)

thing we have to sell is selling. Let's not sell selling short! It is the tremendous opportunities that a career in life underwriting offers to men without connections and without capital that is the foundation of our great American agency system.

Let's take a look at some of the basic satisfactions that a life underwriter finds in his job, and seriously consider whether management would provide more satisfaction for him.

1. *Independence and freedom of action.* Many of our leading agents have told us they became a Nylic agent to get away from the close supervision and regimentation of a salaried job and above all else wanted the independence and freedom offered by life underwriting. In three different job satisfaction surveys over the last 10 years they have told us they receive more satisfaction from this freedom than anything else in their job.

An established life underwriter comes and goes pretty much as he pleases. He selects his own clients; plans his own work and uses only those methods and sales techniques he likes and finds work well for him. He is truly his own boss.

2. *Job security.* A career in life underwriting gives the agent job security.

I have to smile a bit when I hear someone say that he would not give up security of a steady salary for the insecurity of a commissioned job.

The successful life underwriter with 500 or 1,000 "bosses" enjoys more security than anyone I know of. You remember the old adage,—"There's safety in numbers." Well, I say there's job security in numbers, numbers of policyowner clients.

Agent security is further strengthened by the fact that neither his market nor his territory are limited. The agent has a contract and commission percentages cannot be cut. His territory cannot be reduced. In addition, there is no forced retirement at age 65.

3. *Prestige.* While some managers are looked upon with great respect, the title alone cannot guarantee prestige. Prestige goes to the underwriter or manager not because of his job and title but because of the success of each in his own work. Many life underwriters do enjoy tremendous prestige in their communities.

4. *The satisfaction of helping others.* When you are a life underwriter you enjoy the satisfaction of helping others. What you sell performs a useful and lasting service, a service to mankind.


5. *Fun in his work.* Yes, sir, selling life insurance is fun. A lot of hard-boiled old time agents might not admit it publicly but get them off in a corner and they'll tell you it's true.

And then there's the thrill of being a leader, of being out front, of being the top man of his agency, in his division, in his production club, among all the underwriters in his city, of belonging to the top production club or the Million Dollar Round Table.

6. *Earnings.* When you are a life underwriter you write your own pay-check. Since the pay-off is always on results, there is no limit to what you can earn.

Last year, at least 27 Nylic agents earned more in New York Life than our top general manager.

The average income of Nylic's top 100 agents was greater than the average income of the top 100 managers.



Good Things come in ANICO CASES

If you're ARMED with an ANICO sales kit you can pull many-a-sale right out of the fire. Inquire about ANICO'S Complete Line.

**COMPETITIVE POLICIES
COMPETITIVE COMMISSIONS**

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- Family Policy.
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- \$25,000 minimum special.
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- Annuities.
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- Pre-Authorized Check plan.
- Gtd. Issue on Pension and Profit-Sharing plans.
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OVER 4 BILLIONS OF INSURANCE IN FORCE

Dawson Cites Important Rate Changes

(CONTINUED FROM PAGE 8)

ance, because of its social and economic benefits, should be encouraged by national tax policy, as is done in various other countries, rather than discriminated against.

"The policyholder of a mutual company does not join his company for gain or profit, but simply to obtain his insurance protection at cost. His premium payments are deposits, and should not be considered 'income' to a mutual company for purposes of taxation, any more than funds deposited by an individual in a bank should be considered income to the bank. The so-called 'dividends' the mutual policyholder receives are essentially refunds of his own deposits.

"For all these reasons, the policyholders of a mutual company should not be taxed in the same way as a stockholder, who is an investor seeking, not insurance protection, but investment income and profit. He should be taxed at individual rates on his share of the company's investment income after allowance for expenses on a long range basis and after proper deduction for state taxes. The administration and the Congress have failed to observe these simple principles.

Worked With 28 Companies

"For the past two years, we have been working actively with a group of 28 mutual companies that have been seeking to correct these tax inequities, and reduce the tax burden for mutual policyholders, by presenting the tax case from the viewpoint of the mutual companies. Unless we are successful, further increases in federal taxation could have drastic impact on our business and our policyholders in years to come."

The "international leadership plaque" was won by the New York City agency managed by Richard E. Myer, for the third consecutive year.

The award goes to the agency which qualifies the greatest number of agents for membership in the production honor organization. The Myer agency qualified 44 including five for the Top Club Round Table, 13 for the Top Club, and 26 for the Field Club.

The San Diego agency, managed by K. R. Hodgkinson, won the western region plaque. New Orleans, under manager James H. Lake, led the southern region. Harry S. Hull Jr.'s Pittsburgh agency earned the eastern region plaque. Grand Rapids, managed by Daniel P. Cahill, led the central region.

New Officers Listed

New officers of the honor organizations are Gordon Coryell, San Francisco, president; and vice-presidents Irving Backman, Boston, J. Dudley Miller, Chicago, Marvin R. Robbins, Raleigh, B. A. Pierson, San Jose, and Mrs. Bettie M. Boyd, Montgomery.

Julian S. Myrick was presented a scroll by top Mutual officials, "to commemorate his 60 years of distinguished service as a field underwriter, manager, home office executive and educator," with the company.

Mr. Myrick began his career as a clerk for one of the general agents in 1898. He became an agency manager, then a company officer. He retired as 2nd vice-president in 1949, but resumed his career as a field representative for the Myer agency in New York City.

Joseph Latiano of Ellwood City, Pa., was voted the "man of the year." He

received the sterling cup awarded annually by past presidents of Mutual's National Field Club. The award is based on sales volume, service to policyholders and the community, value to his agency, and participation in activities of NALU.

N.Y.C. Agents Choose Charles Anchell

Charles Anchell, agent of New York Life, was elected president of New York City Life Underwriters Assn. at the annual meeting.



Charles Anchell

Others elected were Stanley R. Wayne, general agent of Mutual Benefit Life, administrative vice-president; Alfred S. Howes, agent of Connecticut Mutual Life, educational vice-president; Harry Phillips III, agent of Penn Mutual, membership vice-president; Gerard B. Tracy, agent of National Life of Vermont, public relations vice-president, and Clarence Oshin, manager of Home Life, treasurer. Nominees for directors, listed in the May 24 issue, were all elected.

Joseph D. Shuck has been named agency supervisor in New Jersey by State Farm Auto. He joined the company as a Maryland agent in 1953, advanced to district manager in New Jersey a year later, and in 1957 was promoted to agency supervisor in New York.

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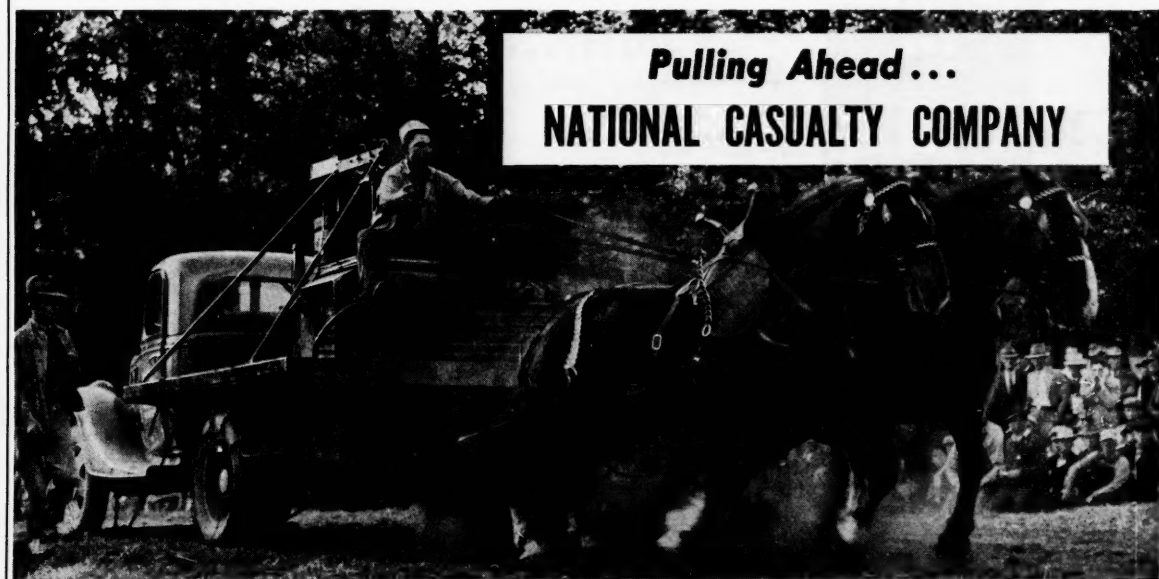
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VERMONT'S GOV. JOSEPH B. JOHNSON puts soils from the 48 states, District of Columbia and Hawaii into the foundation of the new home office of National Life of Vermont in Montpelier. When completed, the structure will be the state's largest office building. The ceremony symbolized National Life's nationwide business operations. Governors presented the soils to general agents in ceremonies held during recent months throughout the country.

Insurance Teachers Name 12 Committee Chairmen

Chairmen of 12 committees of American Assn. of University Teachers of Insurance have been named:

Company fellowships for teachers—D. A. Ivry, University of Connecticut; nominations—Charles Center, University of Wisconsin; budget and finance—K. W. Herrick, Texas Christian; institutional memberships—W. A. Berridge, economist, Metropolitan Life; membership—J. F. Trosper, SMU; broadening of graduate fellowships—C. A. Williams Jr., University of Minnesota; cooperation with American Society of Insurance Management in development of insurance management courses—H. W. Snider, Wharton School.

Also, research—Richard Heins, University of Wisconsin; program—J. E.

Hedges, Indiana University; local arrangements—Walter Dithmer, manager Western Underwriters Assn.; teaching aids—W. O. Bryson Jr., Morgan State College; home office summer employment for students—James Chastain, University of Omaha.

Conn. General Honors Its First Group Life Client

The Hartford *Courant*, oldest newspaper of continuous publication in America and first to provide group life insurance for its employees, was honored at a luncheon by Connecticut General Life, which underwrote the group life plan May 1, 1913. The plan was Connecticut General's first group case and is one of the earliest on record in the country.

Connecticut General's president, Frazar B. Wilde, presented an inscribed barometer to John R. Reitemeyer, president and publisher of the *Courant*.

Convention Dates

June 16-27, American Life Convention, life officers investment seminar, Beloit college, Beloit, Wis.
Sept. 7-12, National Assn. of Life Underwriters, annual, Statler-Hilton hotel, Dallas.
Sept. 22-24, Life Office Management Assn., annual, Chalfonte-Haddon Hall, Atlantic City, N. J.
Sept. 22-24, International Claim Assn., annual, French Lick Springs hotel, French Lick, Ind.
Sept. 22-25, Assn. of Superintendents of Insurance of the Provinces of Canada, annual, Empress hotel, Victoria, B.C.
Sept. 29, Fraternal Actuarial Assn., annual, Hotel Fontainebleau, Miami Beach.
Sept. 29-Oct. 1, National Fraternal Congress, annual, Hotel Fontainebleau, Miami Beach.
Oct. 2-4, Society of Actuaries, annual, Netherland Plaza hotel, Cincinnati.
Oct. 6-7, Conference of Actuaries in Public Practice, Morrison hotel, Chicago.
Oct. 6-10, American Life Convention, annual, Edgewater Beach hotel, Chicago.
Oct. 22-24, Life Advertisers Assn., annual meeting, Queen Elizabeth hotel, Montreal.
Oct. 23-25, Midwest Management Conference, French Lick, Ind.
Oct. 27-29, Health Insurance Assn., individual insurance forum, Drake hotel, Chicago.
Nov. 10-13, Life Insurance Agency Management Assn., annual, Edgewater Beach hotel, Chicago.
Nov. 19-21, Institute of Home Office Underwriters, Hollywood Beach hotel, Hollywood Beach, Fla.
Dec. 8-12, National Assn. of Insurance Commissioners, midwinter, Roosevelt hotel, New Orleans.
Dec. 8-9, Assn. of Life Insurance Counsel, winter meeting, Waldorf-Astoria hotel, New York.
Dec. 9, Institute of Life Insurance, annual, Waldorf-Astoria hotel, New York City.
Dec. 10-11, Life Insurance Assn. of America, annual, Waldorf-Astoria hotel, New York.



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Yes! Every store, office, plant and business firm in your territory employing 10, 15, 25—even as few as 5* people—can now qualify for Group Hospitalization, Surgical Procedure, Polio and Life insurance coverage under the L & C Bantam Group Insurance plan. Think what this can mean to you in added income!

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We'll help you sell Big Business too! Now both large and small business firms can avail themselves of L & C Group Insurance Coverage. And we will help you sell them! L & C rates are competitive, our simple administrative procedure cuts "red tape," and the unusual flexibility of L & C coverage makes our Regular or Bantam Group Insurance of interest to every firm. Write or mail the coupon for FREE descriptive literature TODAY. No obligation.

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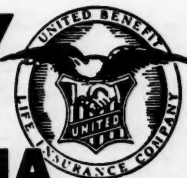


Here's the policy with a future! United's 20-20 Cash Refund Plan offers full cash refund... plus full protection. Millions are reading about 20-20 in the national magazines. Men of vision from United are cashing in on this demand for the policy that does two jobs.

The 20-20 Plan can do two jobs for you, too. This talked-about Plan will introduce you to more people... and boost your earnings. If you want a clear-eyed view of your future with United drop a letter today to United of Omaha, Omaha, Nebraska.

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Final 1958 MDRT List Is Released

(CONTINUED FROM PAGE 2)

I. Scott, ind., Los Angeles; Richard Sephton, Mut. Can., Vancouver; C. M. Sherman, CM, Toledo.

Ben Silver, NYL, Oakland, Cal.; H. N. Sloane, Contl. Assur., NYC; A. H. Smith, NWM, Nashville; H. K. Stegeman Jr., CG, Cincinnati; R. W. Steger, NEL, Chicago; Ron Stever, ELAS, Los Angeles; H. C. Stockman Jr., NEL, Newark; C. J. Strouss Jr., NWM, Youngstown, O.; T. A. Sullivan, NYL, El Paso; H. R. Sundvahl, MM, Tulsa; W. C. Swallow Jr., MM, Quincy, Ill.; Joe Thompson Jr., NWM, Nashville, Tenn.; W. N. Thurman, MBL, Atlanta; G. B. Tracy, NLV, NYC; D. H. Treloar Jr., NWM, New Castle, Pa.; C. C. Tuggle, Trav., Atchison, Kan.; David Waldman, Trav., Baltimore; S. S. Watts, ELAS, Norfolk, Va.; H. E. Walen Jr., NWM, Dayton; K. G. Wildes, NYL, Juneau, Alaska; C. A. Williams, CG, Los Angeles; H. H. Wilson, ELAS, NYC; W. H. Wilson, NEL, Pittsburgh; Stanley Zeskind, Col. Mut., Baltimore; P. H. Zimmerman, MBL, Buffalo, N.Y.; H. A. Zischke, ind., San Francisco.

Life

I. R. Aaronson, Met., NYC; E. W. Albachten, Pac. Mut., Detroit; Sadao Asato, Sun/Can, Honolulu; Paul Audet, Pru/Eng., Quebec City; Jacques Barr, MNY, Chicago; R. J. Bayless, ELAS, Colorado Springs; Mrs. Mildred P. Behr, ELAS, Chicago; J. S. Besacker, NYL, Oceanside, Cal.; H. W. Beyer, ind., Allentown, Pa.; G. Martin Blakely, ELAS, Portland, Ore.; J. L. Block, Contl. Assur., Las Vegas, Nev.

L. M. Blum, SWL, Galveston, Tex.; F. G. Bray, NEL, Houston; W. L. Brooks, Jeff. Std., Charlotte, N.C.; R. A. Brown, Pac. Mut., Los Angeles; T. J. Brownlee, ELAS, St. Louis; E. L. Buchanan, State Life, San Francisco; N. J. Busch, Pru, Pullman, Wash.; C. W. Calhoun, Gt. South., Houston; G. H. Campbell, Aet., Little Rock, Ark.

E. V. Carlin, ind., Columbus, O.; E. G. Carrington, Govt. Persn., San Antonio; Mrs. Grace Chow, Franklin, Los Angeles; Charles Clementson, MM, Orlando, Fla.; J. J. Coburn, MM, Detroit; W. G. Condon, Occ./Cal., Boston; J. L. Craig, NWM, Milwaukee; J. W. Currie, NEL, Miami; R. E. Curtis Jr., Prov. L&A, Boston; R. R. Daniels, Lafayette, Fort Lauderdale, Fla.; E. L. Davis, Internat. Fidel., Dallas; W. W. Davis, NWM, Indianapolis; Louis Dettelbaum, ELAS, Chicago; R. B. Dinsmore, Prov. Mut., Princeton, N.J.; M. J. Donnelly, ind., New Castle, Pa.; J. G. Dornan, Pilot, Philadelphia; J. J. Durkin Sr., Phila. Life, Dallas, Pa.; W. T. Earls, MBL, Cincinnati; R. A. Elder, Eq./la., Williamsport, Pa.; H. D. Farber, Secur. Mut./NY, Buffalo, I. C. Feldman, ELAS, Philadelphia; E. W. Fein, MBL, Chicago; D. J. Finlayson, Stand./Can., Toronto; R. E. Foster, Canada, Ottawa; Louis Freedenberg, Home/NY, NYC; Stanley Freedman, NYL, Lander, Wyo.; Morris Galnick, G-W, Chicago; A. L. Geller, Pac. Mut., Houston; C. J. Geraci, Pru, Newark; B. S. Griffith, Am. Natl., Eureka, Cal.; R. W. Harbert, NWM, Battle Creek, Mich.; S. E. Hecker, MNY, NYC; Samuel Heifetz, MNY, Chicago; R. R. Hoffman, Bankers/la., St.

Louis; L. L. Howard, Fidel. Mut., Boston; J. M. Huberman, ELAS, Boston; H. K. L. Hurrekbrink Jr., NWM, Baltimore; F. M. Irwin, Lond. Life, Toronto; D. Y. Ishii, Pru, Lihue, Hawaii; R. W. Jackson, MM, Detroit; T. A. Johnstone, Columbian Nat., Kansas City; C. A. Jorgenson, Midland Nat., Sioux Falls, S.D.; F. J. Kettyle, Lond. Life, Montreal; W. D. Kay, Pilot, Columbus, Ga.; P. F. Koenigsberger, MNY, Beverly Hills; Mrs. Alyse Laemmle, Benef. Std., Los Angeles; M. L. Levy, Imperial, Toronto; L. E. Liss, ind., Philadelphia; J. F. Lo Bosco, Mfrs., Montreal; J. L. Marion, Franklin, Marietta, Ga.; H. B. Mathewson, Pru, Honolulu; C. T. Mayes, JH, Los Angeles; J. D. A. McDonald, Excel, Toronto; W. W. McGill, Pru, San Antonio; H. A. McGrath, CM, Boston; D. B. Meadows Jr., Occ./N.C. Corpus Christi; W. A. Menke Jr., Franklin, San Diego; G. W. Merritt, MNY, San Jose, Cal.; Kenneth Mitchell, Aet., Los Angeles; W. R. Moore, CM, Decatur, Ill.

A. P. Morris, Un. American, Newark; G. M. B. Morton, Mfrs., Montreal; T. R. Nelson, Penn. San Rafael, Cal.; L. L. Newman, Penn. Ft. Wayne; M. B. Norman, Jeff. Std., Sacramento; E. M. O'Keefe, Canada, NYC; Bruce Parker, Cal-Western, San Antonio; W. H. Perkins, So. Coast, Beaumont, Tex.; W. S. Perkins, Amicable, Corpus Christi; Guy Poliquin, Pru/Eng., Montreal; R. F. Politzer, Canada, Cleveland; W. L. Pool, LNL, Norfolk, Va.; C. E. Purdy Jr., ind., Minneapolis; F. W. Purdy, Trav., Seattle; V. J. Quarataro, Pan-Am., Beaumont, Tex.; G. Y. Ragsdale, U.C. Raleigh, C. G. Raymond, NLV, Tacoma; Robert Rogers, Penn. Lansing; A. G. Ruben, MBL, Los Angeles; J. P. Rudolph, MGL, Newark.

Allen Rutledge Jr., Minn. Mut., Washington, D.C.; E. E. Sammons, United Fidel., Dallas; Tyler Sawyer, NWM, Milwaukee; H. K. Schuetter, NWM, Appleton, Wis.; Joseph Schwartz, Educators, Los Angeles; Robert Sheldrick, NWM, Newark; J. M. Sisk Sr., Bankers/la., Milwaukee; Kenneth Spetner, Trav., St. Louis; H. Stanley, Eq./la., Wichita, Kan.; J. R. Sterner, NWM, Newark; A. D. Stewart, Lond. Life, Ottawa; H. C. Stockman Sr., NEL, Newark; O. F. Stoughton, MBL, Savannah, Ga.; T. A. Taylor, NWM, Columbus, Ga.; G. G. Terriberry, MBL, NYC; H. J. Tibbits, MBL, Spokane; M. E. Thompson, Pru/Manhattan, Kan.; C. J. Underell, Occ./Cal., London, Ont.; J. M. Utter, Eq./la., Seattle; Hal Van Cleave, MM, Los Angeles; W. E. Walder, S. W. Reserve Life, Longview, Tex.; W. W. Watson, MBL, West Palm Beach, Fla.; E. D. White, NYL, Allentown, Pa.; E. M. Wise, North/Can., Mount Royal, Que.; N. J. Woodland, Nat. Equity, Baton Rouge, La.; Takao Yamauchi, Stand. Ind., Honolulu.

Qualifying & Life First Time

M. J.erson, NYL, Los Angeles; F. M. Arnold, ELAS, Ann Arbor, Mich.; I. Aspler, Canada, Montreal; B. S. Blanton, Phoenix, Charlotte, N.C.; Maurice Blond, Trust, Brooklyn; Warden Boswell, Southd. Sweetwater, Tex.; M. A. Bramer, MM, Gary, Ind.; Mrs. Mary E. L. Cassidy, NYL, Kalispell, Mont.; J. D. Chaney, Internat. Fidel., Dallas; N. C. Croonquist, NLV, Minneapolis; S. C. De Cou, Penn. Philadelphia; E. J. Dore Sr., Berkshire, Detroit; A. C. Droste, MBL, Chicago; A. J. Farrington, NYL, Gloversville, N.Y.; L. F. Fasullo, ELAS, Baton Rouge; C. R. Fish III, NWM, Boston; W. C. Gibson, MM, Atlanta; H. M. Glickman, UC, NYC; John Hanley, ELAS, Castro Valley, Cal.; H. B. Hunt, NWM, Lakewood, Colo.

A. F. Kehle, Eq./la., Seattle; W. E. Kleine, Aid Assn. Luth., Seymour, Ind.; W. E. Larsen, NYL, Phoenix; W. J. Lee, MM, Rochester, N.Y.; D. D. Leonard, Crown, Toronto; E. E. Lyons, Home/NY, Hartford; W. B. Mintz, MM, Kearny, N.J.; R. M. Paul, NEL, Los Angeles; J. S. Peake, MM, Philadelphia; C. C. Pierce, MM, Jacksonville, Fla.; Myer Pins, Empire, Montreal; C. A. Ross, Secur. Mut./NY, NYC; W. L. Schmalz, Phoenix, NYC; A. M. Silverman, ind., Wynnewood, Pa.; Seymour Smoller, NYL, Chicago; R. J. Spooner, ELAS, Appleton, Wis.; Mrs. Lena Steinberg, ELAS, Beverly Hills, Cal.; T. N. Whitehurst, Coml. & Indust., Houston; D. L. Williams, CG, Springfield, Mass.; H. L. Wilson Jr., ind., Minneapolis; M. E. Woodall Jr., ELAS, Gunterville, Ala.

Qualifying, Repeating

A. C. Anderson, NYL, Los Angeles; Blaylock Atherton, NEL, Nashua, N.H.; L. W. Baker, MNY, Allentown, Pa.; D. G. Barnett, MNY, Spokane; J. T. Barry, Govt. Persn., San Francisco; B. W. Batson, ELAS, Newport News, Va.; W. E. Beatty, NWM, Canton, N.Y.; Irving Beck, ELAS, Havelock, N.C.; L. H. Beck, NYL, Los Angeles; B. D. Bercuson, North/Can., Mt. Royal, Que.; J. D. Berger, NYL, Houston; L. D. Birchhead, ELAS, Charlottesville, Va.; Lee Bonnell, MM, Studio City, Cal.; R. L. Bowman, Minn. Mut., San Jose, Cal.; W. H. Branch, Jeff. Std., Chapel Hill, N.C.; I. R. Brown, Guard., Houston; W. G. Brown, Am. Founders, Lubbock, Tex.; W. R. Brunswick, NYL, Peoria, Ill.; C. V. Brush, NWM, Aurora, Ill.; W. P. Budke, ELAS, St. Louis; B. E. Buehler, NEL, Great Bend, Kan.; Stanley Burtless, JH, Huntington, W. Va.; J. C. Bushman, Trav., Montgomery, Ala.; R. W. Candland, CG, Los Angeles; W. P. H. Choi, MM, Honolulu; D. J. Clark, NWM, Milwaukee; George Connick NYL, Honolulu; D. Cowles Jr., NWM, Buffalo; J. E. Culea, NYL, Phoenix; J. A. Cutri, JH, San Diego; Charles Dann, MM, Chicago; W. W. Davidson, ELAS, Arlington, Va.; J. M. Dellert, ind., Chicago; T. L. Dickey, NYL, Wilmington, Del.; T. H. Dickinson, Mut./Can., Toronto; T. P. Dore, Berkshire, Detroit; J. R. Dougherty, NEL, Philadelphia; R. H. Douglas, Mfrs., Hamilton, Ont.; C. N. Drake, Franklin, Topeka, Kan.; A. C. Dudish, Un. American, Athens, Ga.; B. K. Elliott, State Mut., Chicago.

P. M. Eskew, ELAS, Phoenix; A. A. Ester-

N. E. Life Permits Applying Dividends To Buy Term

New England Life policyholders may now use a portion of their accumulated dividends to purchase one-year term insurance equal to the cash value of the policy.

The provision applies only to new policies of \$10,000 or more and is available on all permanent plans having premium payment periods of at least 10 years and on automatically convertible term insurance. Substandard policies through a "table D" rating will be issued under this type of agreement. For simplification, they will be divided into only two categories, one through "table B," the other above "table B" through "table D."

The dividend term plan is being offered particularly for use in split-dollar plans. It would keep the death benefit to the employee's beneficiary at the face value of the policy while maintaining the cash value intact for the employer. However, when the accumulated dividends are not sufficient, the term insurance purchased will necessarily be limited to the amount the dividend will buy.

kin, Bankers Nat., Columbus, O.; R. E. Finch, ELAS, Mobile, Ala.; Ben Frankenberg Jr., NYL, Chicago; H. E. Franzen, MM, Chicago; S. A. Green, Life of Amer., Pittsburgh; T. M. Green, MM, Oklahoma City; S. U. Hardie Jr., Am. Natl., Florence, Ala.; R. M. Hawley, Eq./la., Seattle; W. A. Hayes Jr., ind., St. Louis; T. W. Hicks, ELAS, Rocky Mount, N.C.; J. E. Hill, MM, Beverly Hills; M. P. Hoke, CG, Hartford; Buckley Hubbard Jr., NEL, Erie, Pa.; S. C. Isenman, Lond. Life, Montreal; J. V. Johnson, MBL, Columbus, O.; C. A. Kench, Nat./Can., Toronto; A. C. Kenison, NEL, Boston; H. A. Knight, NYL, Honolulu; M. R. Korreick, CG, NYC.

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G. C. Stewart, NWM, Schenectady, N.Y.; R. E. Struble, ELAS, Ft. Lauderdale, Fla.; J. G. Summers, NEL, Boston; W. F. Temple Jr., MBL, Tulsa; P. C. Tennant Jr., MNY, Orlando, Fla.; T. M. Tormey, MBL, Syracuse; J. E. True, MNY, Salt Lake City; E. B. Tufts, Pru/Eng., Digby, N.S. F. M. Van Auker, MM, Peoria; J. B. Vetrano, Cal-Western, Houston; W. H. Votaw, MBL, Santa Ana, Cal.; R. J. Wagner, MBL, Dayton, O.; F. H. White, MM, Buffalo; Murray White, Aet., NYC; R. S. White, Canada, Toronto; M. L. Wile, NEL, NYC; J. T. Williams, ELAS, Huntsville, Ala.; R. B. Williams, ELAS, Palo Alto, Cal.; H. L. Wilson Sr., ind., Minneapolis; J. T. Wolf, NLV, Long Beach, Cal.; R. F. Wolf, ELAS, Pittsburgh; W. R. Wright, CM, Denver; W. Yost, NYL, Salina, Kan.; Alfred Ziff, NLV, Canton, O.; Harold Zlotnik, G-W, Vancouver, B.C.

Qualifying, First Time

P. T. Abell, Pac. Mut., San Jose, Cal.; N. W. Ackerman, ELAS, Des Moines; Lawrence Adams, Am. Natl., San Diego; C. Y. Adams, Am. Mut., Olathe, Hawaii; R. E. Allen, Charlotte, N.C.; C. T. Ashcraft, KCL, Washington, D.C.; M. L. Atkins, College Life, Raleigh, N.C.; Suzanne Audet, Pru/Eng., Quebec; J. E. Baehr, Franklin, San Diego; S. A. Balogh, NYL, Detroit; D. R. Banks, Monarch, London, Ont.; Marvin Barasch, ELAS, NYC; W. A. Barker, Century Life, Altam, Okla.; H. K. Barlow, NYL, Fullerton, Cal.; S. J. Bass, NEL, Cleveland; E. G. Bates, MM, Boston; A. W. Bedont, ELAS, Bridgeport, Conn.; Leon Belshin, Pru, Sacramento; E. G. Benson, Luth. Broth. Life, Palo Alto.

W. I. Bieltla, NYL, Iron Mt., Mich.; T. J. Bland, NYL, Niagara Falls, N.Y.; Perry Blanton, MNY, Harlingen, Tex.; P. A. Blate, Genl. Services Life, Washington, D.C.; R. A. Bliers, ELAS, San Francisco; I. M. Blittstein, ELAS, Chicago; W. E. Bloch, MM, Los An-



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C. E. Bryan Jr., Am. General, Corpus Christi; J. L. Bryden, NEL, NYC; H. L. Buck, Am. Natl., Amarillo, Tex.; D. S. Buffamoyer, Service Life, Greenville, S.C.; Doss Buntin, Gt. South, Albuquerque; G. W. Burke, Penn, Los Angeles; Oscar Burke, NYL, Los Angeles; D. L. Burkley, Phoenix, St. Louis; J. H. Burns, Govt. Persn., San Francisco; R. E. Bushell, NYL, Peoria, Ill.; Hugh Carbery, Domin., Victoria, B.C.; J. L. Carolan, NEL, Detroit; P. B. Carr, CM, Portland, Ore.; D. W. Castle, NWM, Newark; D. J. Cathers, MM, Pomona, Cal.; E. D. Cavalier, NYL, NYC; L. D. Chapin, NYL, Peoria; W. B. Chescheir, NEL, Louisville; H. M. Chester, Penn, Oakland, Cal.; Wing Kong Chong, Am. Natl., Hilo, Hawaii.

C. L. Church, College, Spartanburg, S.C.; L. F. Clary, SWL, Plainville, Tex.; J. A. Cohen, Mfrs., Winnipeg; L. A. Cohen, Reliance Life, Atlanta; W. C. Coldwell Jr., JH, Dallas; W. J. Conroy, Maccabees, New Hyde Park, N.Y.; J. W. Cook, NYL, Denver; P. W. Coolican, Mfrs., Swift Current, Sask.; S. B. Copeland, CG, Walnut Creek, Cal.; T. M. Cornett, Am. Mut., Randlett, Okla.; C. Cory, NYL, Los Angeles; C. E. Crandall, BMA, Corvallis, Ore.; G. J. Criscione, Penn, Albany, N.Y.; J. E. Crom, ELAS, Dayton; Q. B. Culpepper, Am. Natl., Orange, Tex.; G. E. Curry, Texas Empire L&A, Lubbock, Tex.; A. C. Sushing, NEL, Boston; R. H. Cutts, Home/NY, Cleveland; R. L. Daggett, NYL, Independence, Kan.; W. T. Daniel, NYL, Farmington, N. Mex.; V. F. Davies, Am. Natl., Honolulu; A. N. Davis Jr., JH, Washington, D.C.; R. Davis, Am. Natl., San Antonio; Z. A. Davis Jr., Fidel, Un., Jackson, Miss.; H. B. DeJulio, Penn, Oakland, Cal.; E. R. Devereux, Prov. Mut., Jacksonville, Fla.; J. J. Di Benedetto, MM, San Jose; M. P. Dickenson Jr., ELAS, Philadelphia; A. G. DiRe, NYL, Missoula, Mont.; J. H. Donovan Jr., Pru, Asbury Park, N.J.; L. E. Dougan, NYL, Concord, Cal.; Vern Dowell, NYL, Columbia, Mo.; W. E. Dozier, Penn, Macon, Ga.; A. T. Dennen Jr., Penn, Birmingham, Ala.; L. N. Duck, Am. Natl., Little Rock, Ark.; D. J. Duff, MNY, Santa Ana, Cal.; J. E. Duncan, Un. American, Carrollton, Ga.; W. F. Ebel, Union Natl., Fairbault, Minn.; J. J. Eberhardt, Prov. L&A, Dubuque, Ia.; R. F. Ebert, Lutheran Mut., Milwaukee.

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C. R. Hardin, MBL, Augusta, Ga.; D. B. Harris, Natl. Public Service, Anchorage, Alaska; R. P. Hart, Penn, Philadelphia; R. L. Hatchett Jr., MM, Houston; W. H. Henneberg Jr., MM, New Orleans; W. H. Heyer, MM, Chicago; A. J. Hicks, Phila. Life, Lebanon, Pa.; A. E. Hill, ELAS, Lincoln, Neb.; H. W. Hill, Un. American, Columbus, Ga.; L. P. Hindenach, ind., Los Angeles; R. L. Hoagland, ELAS, Cincinnati; R. M. Hodges, Franklin, Columbus, Ga.; J. O. Holton Jr., Genl. Amer., Clayton, Mo.; M. H. Houghton, NYL, Manhattan, Kan.; L. S. Hulet, ELAS, Silver Spring, Md.; G. F. Humphrey, NWM, Minneapolis; I. O. Hunter, Am. Natl., Oakland, Cal.; Tom Inouye, Nat./Can., Vancouver; H. A. Jansen, MM, Chicago; D. N. Johnson, NYL, Kansas City.

Gerard Johnson, Alliance Mut., Beauport, P.Q.; S. P. Johnston Jr., Rep. Nat., Chicago; W. M. Jolly, NYL, Atlanta; J. O. Jones, NEL, Dallas; Edward Kandal, Cal-Western, El Centro, Cal.; M. L. Kartner, NLV, Trenton, N.J.; Jerome Katz, ELAS, Miami Beach; P. G. Kekich, Crown, Pittsburgh; C. P. Kennedy, MM, Chicago; John Kessler, ELAS, Oklahoma City; T. V. Kilpatrick, NYL, Flint, Mich.; G. D. Kinder, ELAS, Peoria; William Kingsberg, ind., Lubbock, Tex.; P. C. Kirby, MM, Wheeling, W. Va.; H. E. Kleiman, Bankers Nat., Passaic, N.J.; Arnold Klein, MN, NYC; J. J. Kleine, NYL, Tucson, Ariz.; H. P. Knight, Nat. Reserve Life, Riverside, Cal.; H. J. Kopec, Pru, Pomona, Cal.; M. A. Kornreich, ind., NYC.

Bert Kreisberg, Phoenix, Burbank, Cal.; J. E. Krupar, NWM, Greensburg, Pa.; H. F.

Aetna Life Has Premium Grading, Pre-Authorized Check Plan, Family Policy

Aetna Life has introduced premium gradation, a family policy, and a pre-authorized check plan.

Categories for rate gradation are \$4,999 and under; \$5,000 to \$9,999; \$10,000 to \$24,999, and \$25,000 and over. For the largest policies, reductions will run as much as 10%. In addition, women in most states will be rated approximately three years younger than their average age.

There will be some increases in the first commission rates payable to agents on a number of policies.

The family policy will provide \$5,000

Laugharn Jr., Occ./Cal., Beverly Hills, R. R. Lavoie, Home/NY, Boston; Richard LeBuhn, MM, Davenport, Ia.; J. L. Lier, ELAS, Key West, Fla.; T. M. Lemley, MBL, Memphis; James Levi, MM, Chicago; K. B. Lile, NWM, Tacoma, Wash.; G. H. Little, MBL, Bel Air, Md.; Herbert Louis, Secur. Mut./Neb., Columbus, Neb.; G. W. Mackey, Guar. Mut., Greeley, Colo.; G. W. Maddox, Pru, Corpus Christi; J. C. Maddox, NYL, Santa Rosa, Cal.; R. C. Mallory, NYL, Junction City, Kan.; N. W. Manocchic, CG, Bloomfield, Conn.; L. L. Markham, NWM, Janesville, Wis.; P. H. Marsteller, Phila. Life, Bethlehem, Pa.; C. T. Martin Jr., Un. American, Albany, Ga.; J. F. Martin, NYL, Orlando, Fla.

J. L. McCann Jr., Jeff. Std., Charlotte, N.C.; T. J. McDonough, Bankers/Neb., Pittsburgh; F. J. McIntosh, Atlantic, Warwick, Va.; J. H. Meister, Franklin, Los Angeles; P. J. Metcalf, NYL, Washington, D.C.; E. A. Metts Jr., NYL, Wilmington, N.C.; C. H. Miller, Acme United, Atlanta; C. R. Miller, Jeff. Std., Salisbury, N.C.; V. C. Miller, NYL, Akron; H. L. Minton Jr., Trav., Eau Claire, Wis.; R. C. Morehead, Southern, Louisville; T. A. Morris, Amicable, Abilene, Tex.; H. J. Morrison, JH, Washington, D.C.; J. J. Moskowitz, MM, Rock Island, Ill.; H. J. Mullen, Luth. Brotherhood, Stoughton, Wis.; J. D. Murphy, NYL, New Haven, Conn.; R. T. Murphy, ELAS, Detroit; J. C. Murray, Pan-Am, Mobile, Ala.; Toshio Nakashima, Am. Mut., Honolulu, Hawaii; C. B. Naramore Jr., Phoenix, Southport, Conn.; W. A. Nunn Jr., Minn. Mut., San Diego; W. R. Ohland, NWM, Los Angeles; D. W. Oleson, NYL, Yankton, S.C.; A. S. O'Neill, ELAS, Philadelphia; E. H. O'Rourke, Penn, NYC; J. A. Parker, ind., New Orleans; E. B. Parminter, ELAS, Whittier, Cal.; W. L. Payne, NYL, Houston; M. J. Platt, NLV, Trenton, N.J.; F. W. Pope, NYL, Stockton, Cal.; M. H. Poulin, La Solidarite, Vallejo Junction, Que.; E. P. Puffenberger, ELAS, Paxton, Ill.; M. T. Purisch, ELAS, NYC; C. M. Purnagen, MBL, Dayton; A. W. Ranger, Sun/Can, Sept. Iles, Que.; Lester Rausch, Prov. L&A, Columbus, O.; E. H. Reinholdt, Aid Assn. Luth., Lockport, N.Y.; M. M. Renshaw, NYL, Los Angeles; D. B. Reynolds, ELAS, Washington, D.C.; W. C. Rigby, NYL, Evanston, Ill.

M. J. Riikola, NYL, Phoenix; J. M. Robbins, NEL, Boston; Bryce Royalty, NYL, Middletown, R.I.; A. T. Salvesen, MM, Chicago; L. B. Sattell, Contl. Life, Killeen, Tex.; Arthur Schechner, CM, Newark; S. H. Schecter, Crown, Montreal; R. A. Schenkelberg Sr., Berkshire, Cleveland; J. G. Schindler, Pru, South Euclid, O.; Harry Schoenfeld, NYL, San Mateo, Cal.; T. J. Schottel, United Home Life, Indianapolis; W. R. Schonscheck, Canada, Detroit; Edward Schulenburg, Am. Genl. Houston; J. E. Schumacher, NYL, Woodsfield, O.; K. C. Schuyler, CM, Berwick, Pa.; T. K. Scott, MNY, Leland, Miss.; F. M. Scripser, MNY, Detroit; R. P. Seward, ELAS, Towson, Md.; Walter Sieruk, Pru, Newark; R. F. Silverstein, MM, Charleston, W. Va.

K. V. Smith, Am. Natl., San Diego; L. L. Smith, Fidel, Un., Marshall, Tex.; Raymond Snitow, ELAS, Middle Village, N.Y.; E. F. Soons, NWM, Kenosha, Wis.; H. B. Somer, NEL, NYC; A. E. Southworth, Mut./Can., Edmonton, Alb.; A. E. Spakowski, Phoenix, Milwaukee; H. T. Speck, ELAS, Fort Walton Beach, Fla.; P. W. Staby, NWM, NYC; J. K. Stern, Pru, Cleveland; V. F. Stewart Jr., Aet., Elyria, O.; J. G. Stockton, Secur. L&T, Tryon, N.C.; J. A. Tanti, United Ben., Toronto; W. M. Taylor Jr., MM, Los Angeles; Peter Thompson, ELAS, Los Angeles; E. W. Thomson, MM, Santa Ana, Cal.; F. F. Tibbitts, NYL, Pocatello, Ida.; J. C. Tiltman, Amicable, Corpus Christi; C. E. Titus, United Services, Kaneohe, Hawaii; F. T. Toal, MBL, NYC.

D. P. Tura, JH, Los Angeles; R. Vander Wall, MM, Kalamazoo, Mich.; D. R. Vaughan, MBL, Atlanta; V. C. Wadhams, NYL, Lincoln, Neb.; D. E. Wagner, Acacia, Houston; Carroll Walker, ELAS, San Francisco; C. F. Walker, Manhattan, Atlanta; W. B. Wallace III, Home/NY, Washington, D.C.; M. S. Wallace, Am. Natl., San Diego; C. L. Warren, NYL, Salt Lake City; E. D. Washburn, Service Life, Glendale, Ariz.; G. C. Weaver, Service Life, Greenville, S.C.; L. L. White, NYL, Cleveland; S. T. White, NYL, Dorchester, Mass.; V. G. White Jr., NEL, NYC; Larry Wickenheiser, Am. Bankers, Monroe, Mich.; Alvin Wolff, Postal, NYC; M. I. Wolper, ELAS, Miami Beach, Fla.; D. L. Woltz, MBL, Columbus, O.; C. P. Wood, MM, Syracuse, N.Y.; L. N. Wood Jr., UC, Goffstown, N.H.; B. T. Yamashiro, Cal-Western, Los Angeles; J. L. Younger, Sovereign/Can., Peace River, Alta.; C. C. Zahorik, U. S. Life, Alhambra, Cal.; J. K. Zeiner, NYL, Trenton, N.J.

permanent insurance for the father, \$1,250 term on the mother if her age is the same as his, and \$1,000 term on each child or the additional children. The policy will be issued in amounts up to \$15,000, with proportionally larger amounts for the wife and the children. The wife's insurance is convertible to a permanent plan when a husband is 65 and the children's insurance is convertible to up to five times the original amount when they become 22.

On the pre-authorized check plan, the monthly payment is one-sixth of semi-annual.

Rodman Elected President Of Boston Trust Council

At the annual meeting of Boston Life Insurance & Trust Council officers elected were: president, Sumner Rodman, independent; vice-president, Franklin D. Jerome, Old Colony Trust Co.; treasurer, Robert B. Whittemore, Connecticut Mutual Life; secretary, Norman C. Hoffman, New England Trust Co. Elected to the executive committee were Chester Dalrymple, Merchants National Bank; Thayer Quinby, Columbian National Life; Francis C. Howe, National Shawmut Bank.

Hospital-Surgical Family Policy Of Life Of Georgia Is Guaranteed Renewable

Life of Georgia has introduced a family-plan hospital and surgical policy that is guaranteed renewable, with benefits reducing on parents at age 65. The policy also will be issued for one adult.

The policy covers all members of a family who are over 14 days old, or it will be issued for one parent and all insurable unmarried children under 18. Age limits on adults have been set at 18 and 60.

The policy is issued with or without a \$15 deductible provision on three benefit plans: room and board for a 70-day limit at maximums of \$6 with \$150 surgical, \$8 with \$200 surgical and \$10 with \$250 surgical.

Govt. Employees Life Stock Split

Government Employees Life of Washington, D. C., has declared a 2½% stock dividend payable June 25 to stock of record June 6. The directors also raised the annual cash dividend rate on common stock from 30 cents to 40 and declared a semi-annual dividend of 20 cents payable June 30 to stock of record June 16.

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Today, for the first time, families and individuals may be insured up to \$10,000 for the medical expenses of "T.B." under American Casualty's SPECIFIED DISEASE POLICY. This remarkable low cost program now covers NINE diseases including Tuberculosis, at a yearly cost for an individual of only \$4.00!

At slightly higher cost, the valuable Cancer endorsement may be added for persons under age 59. The Cancer benefit pays up to \$2,000 for claims originating prior to the insured's 60th birthday; \$1,000 for claims which originate after age 60.

Write today for full details.

AMERICAN CASUALTY

COAST-TO-COAST BRANCH OFFICE SERVICE

HOME OFFICE: READING, PENNSYLVANIA

Home Office Changes

State Mutual Life

Richard B. Stephens has joined State Mutual Life as assistant to the director of public relations. In this capacity he will edit the *Mutualite*, a home office weekly newspaper, and assist John D. Drummey, director of public relations on other projects.

Mr. Stephens was a reporter for the

Caledonian Record, St. Johnsbury, Vt., and was on the Worcester (Mass.) *Telegram-Gazette* staff for six months prior to joining State Mutual.

Connecticut General

Connecticut General has appointed as superintendent of agencies William N. Berson, former manager of the bro-

kerage agency at Cleveland, who will head brokerage operations, and Gordon H. Olinger, former assistant superintendent of agencies who will head full time estate planning agencies.

National Life & Accident

S. G. Glover, manager of the mid-west territory, has resigned to become manager of the service development



R. D. Outten



S. G. Glover

division, now headed by R. D. Outten, who will succeed Mr. Glover as mid-west territory manager.

The exchange of assignments resulted after Mr. Glover's doctor had ordered less arduous duties for him and the discontinuance of travel, following a severe illness last December. He has had more than 30 years' service with National L. & A., having started in Little Rock and later serving in Wichita as manager.

Mr. Outten has been with National L. & A. since 1935, starting in Maysville, Ky., and soon thereafter became superintendent. He became eastern territory supervisor and later was made manager of a district of Hamilton, O., and at Nashville before going to the home office.

North American L. & C.

Robert J. Durenberger has been appointed supervisor of field training for North American L. & C. Mr. Durenberger has been with the company for 10 years, seven of which have been in home office agency operations.

New York Life

Harold E. Holly has been appointed director of management training by New York Life. He has been manager in Oak Park, Ill.

North American Re

Thomas W. Horan has been appointed an assistant secretary of North American Reassurance. Prior to joining this company in 1953, he was a senior underwriter with Equitable Society.

Mr. Horan will continue to represent North American Re with fraternal societies and life companies.



Thomas W. Horan

Mutual Of New York

Mutual of New York has appointed Clayne Robison, former manager at Boise, as field superintendent of agencies. Russ Campbell and William W. Larash, former assistant managers, have been appointed recruiting specialist and field training specialist, respectively, at the home office. John E. Schmitt, a former specialist in group annuities at John Hancock becomes employee benefit specialist.

George Ferguson has been promoted to assistant director of personnel for Mutual of New York. He joined the company in 1925 as assistant to the instructor of the home office training school. He is a fellow of the Life Office Management Assn. Institute and member of its examination committee.

Equitable Society

Equitable Society has appointed Kenneth M. Stead manager of the real estate division of the building department. He has been assistant manager of the division.

American Mutual Life

Morris E. Morgan has been appointed agency supervisor by American Mutual Life. He has had previous experience as an agent and training supervisor.

Security Mutual Of N. Y.

Security Mutual of New York has appointed William E. Bennett, former

Sales increased first month with PROTECTIVE LIFE



Mr. James G. Mallas
1008 Johnston Building
Charlotte, North Carolina

Dear Jim:

The record of production and earnings which you have compiled during your first few months with Protective Life is indicative of the fine records being compiled by so many of the new field men which the Company has added in its recently inaugurated Agency Expansion Program.

During your first month with Protective Life, your production was greater than your previous average monthly rate of production. During your first three months with the Company, you earned in excess of \$4,500 in first year commissions and overriding, and at your present rate of production you will earn \$20,000 during your first year with Protective Life.

While we at Protective Life believe that our methods, service, policy contracts, and sales material have been instrumental in your success, we fully realize that the greater share of the credit is yours.

Jim, there are any number of good Companies with whom you could achieve life insurance success. You hold the key within yourself. Protective Life is grateful that you are giving it the chance to provide the opportunity.

Your sincere good friend,

William J. Rushton

William J. Rushton
President



General Agency Openings
Throughout the Southeast
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administrative assistant in the A&S department of Security Mutual, manager of the administrative division and **Richard L. Archer**, who has been an A&S underwriter since 1953, becomes senior underwriter.

Columbus Mutual Life

Columbus Mutual Life has appointed **Melvin T. Patrick** assistant superintendent of agencies. Mr. Patrick joined Minnesota Mutual as an agent in 1954. In 1956 he joined Life of America as home office agency supervisor. After several promotions, he became superintendent of agencies, which position he held until joining Columbus Mutual.



Melvin T. Patrick

New England Life

James R. Love Jr., supervisor in the Peoria agency of New England Life, has been appointed assistant director of agencies. Mr. Love joined New England Life in 1953 in Peoria, where his father is general agent.

Aetna Life

Rene A. Cote has been appointed assistant editor of the *Life Aetna-izer*, national monthly magazine of Aetna Life. He joined the company in 1945 and was with the group department before being transferred five years ago to the advertising department.

WESTERN LIFE OF CLAYTON, MO.—C. G. Haizlip, a company founder, has been elected to the new post of chairman, and will continue in his long-time post as secretary-treasurer. Charles L. Kell, formerly vice-president, has been named president to succeed Horace G. Beedle who has been named vice-chairman. Mrs. D. H. Lovell has been named vice-president; Stanley F. Byars assistant treasurer, and Wellman C. Mills assistant secretary.

AMERICAN LIFE ASSOCIATION has appointed Aart Hoogenboom vice-president and agency director. He has been with Phoenix Mutual Life, New England Life, United States Life and Security-Connecticut Life.

NATIONAL LIFE OF CANADA—Douglas C. Moat has been named director of agencies for the U. S. Mr. Moat has been responsible for the organization of National Life's sales executive training course. His office will be at Glens Falls.

NORTHERN LIFE OF CANADA—G. E. McElroy has been appointed director of agencies.

Spotlight On N.Y. Restrictive Statutes

(CONTINUED FROM PAGE 1)

end of 1947. By the end of last year it was about \$206 billion. But if it had increased at the same rate as that of the non-admitted companies, the admitted companies would have had at the end of last year not \$206 billion in ordinary and industrial in force during 1947, or \$47.2 billion more than they actually succeeded in adding to their ordinary and industrial in force during the decade.

Defenders of the New York restrictions would doubtless say that even without expense ceilings the 25 New York admitted companies might not have written the additional \$47 billion. But how convincing will such contentions be to investigators who are looking for anything that restricts the freedom of merchandisers to sell all they can?

"Might-Have-Been" Protection

The \$47 billion "might-have-been" protection that wasn't sold can be made to look pretty big. You don't have to go back into antiquity to find the time when there wasn't that much insurance in force in the entire country. In fact, it was not until 1922 that the total life insurance in force—ordinary, group, industrial—topped \$47 billion.

Parts of Counsel McHugh's talk indicate that the O'Mahoney investigators may have some jolts in store for the New York "Big Brother" philosophy of making sure that insurers, in their zeal for sales, don't pay their salesmen and general agents too much. In fact, if Mr. McHugh's talk is any guide to the subcommittee's thinking, these gentlemen have the heretical (to New York) theory that it's better public policy to have a lot of life insurance protection sold than to impose expense restrictions that may also restrict the spread of life insurance and its benefits.

If the Senate investigators need any confirmation of the idea that life insurance sales are far less than they ought to be, they need only refer back to speeches of many men of prominence in the business. The constantly recurring theme in these talks is that the public is underinsured. That is the basis that distorts the picture—like averaging the wealth of a Texas oil tycoon and a Bowery bum. A better slant is given by the statistic that in four out of five American homes nobody has as much as \$5,000 of life insurance.

The concept that it is more impor-

tant for insurance to be cheap than to be widespread is so firmly ingrained in the New York law and so widely accepted as unbeatable—if you're going to stay licensed in New York—that many in the business have succeeded in seeing virtues in the fetters.

Unquestionably, New York has stood for high standards of solvency and has been watchful to prevent skulduggery. But what the critics of the New York system have objected to is that it goes far beyond regulations needed for safety and honesty. It is as if the state, not content with specifying what cars must have in the way of brakes, headlights, horns, and safety glass, were to decide that manufacturers must hold their advertising expenditures and salesmen's and dealers' costs to rigidly prescribed limits or be prohibited from selling their cars in the state.

But the fact is that merchandisers of nearly every commodity are completely free from any restriction on their sales costs. They can charge the customer anything they think the traffic will bear. The only thing they have to worry about is pricing themselves out of the market.

On the other hand, the one commodity—life insurance—that needs to be sold if it is to be bought, and that surpasses all other discretionary expenditures in deserving state encouragement, is hobbled by punitive laws that are a holdover from ancient abuses that no company would go back to even if it had the chance.

Congress Could Pull Rug

Ever since the implications of the Southeastern Underwriters Assn. decision became clear, it has been obvious that the states were regulating the insurance business only on congressional sufferance. Congress could yank the rug out from under the states at any time.

That is why the Senate subcommittee's eyeing of state restrictions on free competition has a significance today that it didn't have 20 years ago when Sen. O'Mahoney was doing his probing as head of the famed temporary national economic committee. Congress couldn't do anything about state restrictions then. It can now.

Mr. McHugh's American Management Assn. talk didn't mention the New York restrictions specifically. But he did say: "A study of the competitive environment in which the insurance industry operates will necessarily embrace an appraisal of restrictions

through licensing upon the freedom of entry of new firms into the insurance business. A properly administered state program must balance the need for preserving solvency and financial stability with the goal of promoting competition through the licensing of new insurance companies..."

"The subcommittee will seek to ascertain the type, the number and the size of insurance companies, both foreign and domestic, which have been licensed to operate by the various states. Where applications have been denied or not acted upon, the subcommittee will try to learn the reasons."

There are about 1,300 life companies in the United States. Those doing business in New York number 71. Many of the 1,300, of course, would not seek admittance to New York even if there were no restrictions at all. But when the number of companies doing business in New York is only 5½% of the total, it would not be surprising if the Senate probers tried to "learn the reasons."

The investigation will be an opportunity for those who have regarded as insufferable arrogance New York's imputing to itself a brand of wisdom so superior that it must be extended to the operations of any New York admitted company anywhere and everywhere that it does business. It won't be surprising if these critics make the most of their chance.

Occidental Unveils New Policies At Conventions

A premium gradation plan, a lifetime guaranteed renewable hospital policy, income disability and hospital plans for over-age and substandard risks, and an increase in accident indemnity benefits were among the developments revealed by Occidental Life of California in recent conventions held at Miami Beach, Chicago and Coronado, Cal.

With graded premiums by size for each \$1,000 of insurance, the plan applies to all policies written after April 15, with the exception of ordinary life with return of cash value, single premium life and annuities, annual premium retirement annuity and pension trust policies.

The hospital policy, which will include the over-age and physically impaired, will be issued to an individual or the entire family and also features a \$400 surgical schedule, daily hospital benefit up to \$20, and lower premium because of a \$50 deductible.

The substandard disability income policy is for physically impaired employed persons, and this group may also be considered for hospital and surgical coverages with Occidental's substandard hospital policy.

Persons up to 80 years of age may apply for the over-age hospital and disability income policies.

Double indemnity benefits have been increased and will be issued up to 2½ times the base policy for ages 16 through 60.

Also revealed were new procedures, including a simplified application and receipt form and a monthly billing system similar to ones used by utilities. The notice will indicate premiums due and any which may be past due.

LIAMA Adds 4 Associate Members

Four new associate member companies have joined LIAMA, bringing the number of companies outside of North America to 54. United States and Canadian membership now totals 145.

The new associate members are Australasian Catholic Assurance Co. of Sydney, Australia, Australasian Temperance & General Mutual Life of Melbourne, Australia, El Mundo of Mexico City, and Southern Life Association of Cape Town, South Africa.

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Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.
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ECONOMIST AND ACTUARY

whose current clients are limited to investment groups, wishes to join partnership of consultants or form partnership, in New York City. Have held ranking positions in life insurance company and consulting firm. Fully experienced in Home Office management of Group, Agency and Investment departments, and all types of employee benefit plans, including life, casualty and pension, insured and trustee. Address Box A-93, The National Underwriter Co., 175 W. Jackson Boulevard, Chicago 4, Ill.

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qualified to administer employee retirement program and group insurance plans for mid-western manufacturing company doing national business; over 2000 employees. Good opportunity for man willing to take responsibility. Give education, experience, references and salary required. Box A-92, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Blow Whistle On Moore's Mo. Insurer

(CONTINUED FROM PAGE 2)

it by \$158,618. Examiner Hood testified that Moore owned 25% of the outstanding stock of the company and voted the remaining 75% through a proxy arrangement with the owner. The owner of this 75% was said to be the National Bankers Life of Dallas.

It was revealed that under an agreement entered into between Security National Life and Moore on Oct. 1, 1951, Moore was to receive a percentage of gross premiums for acting as general agent and assisting the management and supervision of the agents.

Report Filed

The report filed with Superintendent Leggett by Examiner Hood had this to say regarding the payments to Moore under the Oct. 1, 1951, agreement:

"At the date of the last examination, Dec. 31, 1955, amounts withdrawn exceeded fees earned to the extent of \$47,000 and at that time you (Superintendent Leggett) requested that no further disbursements be made in this account until the total of the fees earned equaled the sum of withdrawals.

"Despite this, Vaughn Moore continued to withdraw funds at will, without regard to the welfare of the policyholders or claimants until at Dec. 31, 1957, these excess withdrawals aggregated \$158,618.

"Because of this, the company's liquid position has been so precarious that during the period under examination, and even prior, it has been and is still necessary to defer payment of claims and other policy obligations for many months after final proofs have been received.

Evidence Not Found

"No evidence could be found in the company files indicating who ultimately received the sums paid in excess of earned fees. Mr. Moore stated that they went for 'promotion.' "

After the court hearing and the order of Judge Blair that made permanent the temporary injunction he had issued last week, Mr. Leggett expressed hope that he will be able to make arrangements for another company to reinsure the 1,160 policies for a total of more than \$3,500,000 which the Security National Life had outstanding as Dec. 31, 1957, and to also take over its A&S and hospitalization policies. He said four companies had indicted an interest in reinsuring the business.

Circuit Attorney Thomas F. Eagleton of St. Louis announced he would conduct an investigation into the report that Vaughn Moore had withdrawn \$158,518 from the company in excess of fees earned.

Texas A&H Assn. Names Armistead President

Texas Assn. of A&H Underwriters officers and directors held their annual meeting in Austin and elected Eugene E. Armistead, American Investors Life, Fort Worth, president. He succeeds John Delaney, American General Life, Houston.

John Saint, American General Life, Houston, has been elected vice-president to fill the vacancy created by the resignation of William D. Borden, American Hospital & Life, San Antonio.

Mr. Delaney called attention to the trend for more large companies to enter A&H. He also spoke of the need to consider carefully the assignment of policies to hospitals by insured, and of the need for claims investigation.

Mutual Of N. Y. To Open Hawaii Office

Mutual of New York will resume writing new business in Hawaii on



Stanley Carver

July 1 with the establishment of a district office in Honolulu. District manager will be Stanley L. Carver, now assistant manager at San Diego. The Honolulu office will operate under the supervision of the San Diego agency, managed by K. R. Hodgkinson.

Western & Southern Puts Three New Plans Out

Western & Southern Life has introduced three new plans. They are: multiple option whole life; juvenile estate protector, and income protector.

The multiple option plan is a whole life policy, minimum of \$25,000, containing options which permit the insured (ages 20-35) to exchange the policy after 20 years to a life paid-up at age 65, or an endowment at age 65 plan at guaranteed premium rates. The exchange for ages 36 to 65 is to the life paid-up at age 85 or the endowment at age 85 plan at the end of 20 years or at age 75 if sooner. There are cash values at the end of the first year at every age.

Has Increasing Benefit

The juvenile estate protector plan is a life paid-up at age 65 plan with an increasing benefit. For an initial amount of \$1,000, the benefit increases to \$3,000 at age 18 and to \$5,000 at age 21. There is no increase in premium at either age. The cash values increase rapidly to age 21 and are available for educational purposes at that time. Accidental death benefit equal to the benefit under the policy is available, as is the owner waiver of premium benefit. A feature of this plan is an option at age 35 to exchange the policy for a retirement income at age 65 policy.

A new series of decreasing term plans called income protector are designed for the young family man and home owner. They are available in 10, 15, 20, 25 and 30 year terms. Premiums are level for full term of the policy. A minimum initial amount of \$10,000 is required. The policies provide for exchange to permanent insurance without evidence of insurability for 80% of the amount in force.

The company has also raised the maximum amount limit for ordinary life from \$200,000 to \$400,000, and will retain up to \$200,000.

Ohio State Life has recorded the biggest production months in company history after a special sales effort by the field force to honor the 26th anniversary of F. L. Barnes, 1st vice-president. Columbus Mutual, of which Mr. Barnes is also a vice-president, honored him with a production record 60% above the previous month.



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Electronics Usage Stressed By Speakers At Annual IASA Parley

With a staggering array of sessions, a plethora of special events, and exhibits of all kinds, the 1,623 registered for the annual meeting of Insurance Accounting & Statistical Assn. in Chicago last week found everything they wanted—except perhaps enough time to see and hear everything.

The fullest possible use of machines of all kinds was advocated by many speakers. Among the highlights of the four-day convention were sessions on "Principles of Life Insurance Record Keeping," "Management's View on Electronic Data Processing Machines," and "A&H Electronic Applications."

In his talk, "Is There a Future in Punch Cards?" Bryson Clarke, Kansas City F&M, asked if it would be "out of line to suppose that we could go from the punch card to an electronic input media without using the punch card?" He noted that a machine is in use on the west coast which sorts checks, and he mentioned the possibility of a machine which could sort correspondence by the use of conductive ink, or pick up a number written with a heavy content graphite pencil.

Business Is "Bogged Down"

Stating that the business is "bogged down" in paper work detail, Mr. Clarke said he felt that "in the very near future" a machine would be invented which would use a system free of the punch card.

The famous IBM 650 was the concern of Karl F. Eaton, Business Men's Assurance, in his talk "A&H Procedures on IBM 650." He noted that his own company has limited the programming of the machine to procedures involving direct individual lines, and said that two major programs had been evolved—one to develop basic information for the master file and related records, and the other to use these master file cards as source data.

Another use of the 650, Mr. Eaton noted, is in the area of gross annual premium calculations. With the emphasis on non-cancellable insurance, he said, rate calculation has become very complex; consequently, the 650 has been used to develop rates based upon what "we hope to be reliable morbidity assumptions and expense allowances."

Babcock Elected President

At the business meeting W. D. Babcock, Keystone Auto Club, was elected president, succeeding L. M. Cox, Employers Mutual Liability. Other officers elected were: John C. Smith, Imperial Life of Canada, program vice-president; Lowell Rinehart, Nationwide Mutual, conference vice-president, and E. E. McCandless, United Benefit Life, finance vice-president.

Directors elected were: F. J. Winterle, New England Life (life, A&H, and group); Paul Ottosen, Federated Mutual Implement & Hardware (fire and casualty); Thomas Mott, Republic National Life (local chapters); R. A. Saunders, Equitable Life of Canada (research); James A. Dryer, Standard Accident (public relations); T. D. Kennedy, Employers Reinsurance (publications), and W. R. Morgan, Equitable Society (exhibits).

L. J. Hale, Kansas City Life, secretary-treasurer, presented the financial report and stressed the fact that the convention was composed this year of 727 groups and companies.

The banquet Monday night featured

Award Certificates To 31 New York CLUs In Advanced Course

Certificates from New York CLU chapter were awarded to 31 members who participated recently in an eight weeks' program on the place of the CLU on the estate planning team.

The educational program, designed to better acquaint members with the intricate problems of estate planning, consisted of weekly lectures by prominent educators, lawyers, a banker and a life company pension consultant.

Bernard M. Eiber, New York attorney and president of the chapter, said in presenting the certificates, that the program's success should be credited to Irving Bober, Life of North America, and Wilber Neustein, Prudential, who administered the program.

Mr. Eiber noted that registration had been purposely limited to make it possible to run the course as a seminar. He expressed gratification that only one of the original registrants failed to complete the course.

A new high for the year in submitted business was reached in April by **Sunset Life** of Olympia, Wash. Sales were 112% above last April, replacing February 1958 as the fourth best month in Sunset history, and making the first four-month period 59% better than the corresponding period of last year.

A western comedy revue entitled "Fun-smoke," which many members thought the best entertainment ever presented at an IASA convention. Many special events were provided for the wives, including "continental" breakfasts, a fashion show, and humorous character sketches by Lillian Brodahl Smith. Seven complete programs were offered as fare for the business sessions, covering fraternal, industrial, electronics, group, A&S, life, and fire and casualty.

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Urges Closer Tie Between Doctors, AMA

(CONTINUED FROM PAGE 1)

ized courses are available for their training. To attract young doctors to insurance medicine, Dr. Boland said "it is essential that we have a recognized board."

Dr. Boland also pointed out the dangers in some current underwriting practices, saying that underwriters cannot look for a continuing of the present trend in mortality, and he urged that underwriting ought not to be based on this assumption. He said pioneering in underwriting is a necessary part of the business, but that the anticipated extension of life expectancy will not compensate for unsound underwriting practices.

Improve Middle-Age Mortality

Any improvement in mortality would be in the middle-age bracket he suggested, because of the great amount of research being conducted in the fields of the chemistry of aging, hormonal research, and in the field of heart diseases. In addition there is the current advance in the treatment of brain disorders and the possibility that cancer will respond to chemotherapeutic agents. The key to much of this progress is the development of a better understanding of the chemical mechanism of disease.

Dr. Boland is the medical director of Country Life, North American Accident, Catholic Order of Foresters, Central Standard Life and Globe Life, all of Chicago. He gave his address as chairman as the first order of business, following greetings by ALC President Harry J. Stewart of West Coast Life, and Dr. E. B. Howard, assistant general manager of American Medical Assn.; Dr. N. J. Barker, General Life, president of Assn. of Life Insurance Medical Directors, and E. J. Faulkner, Woodman Accident & Life, chairman of the medical relations committee Health Insurance Council.

Also on the program the first morning were Dr. Harry A. Cochran of Lincoln National and Mr. Faulkner, the latter speaking on "Are We Meeting Our Responsibilities in the Field of Accident and Health Insurance?"

Second-day Speakers

Speakers the second day were Dr. J. M. Sheldon of the University of Michigan, on allergies, and Drs. E. V. Allen and Robert L. Parker of the Mayo Clinic, on cardio-vascular disease. The third day was taken up with panel discussions on the respiratory, endocrine, clinic cardio-vascular and neurological systems. The moderators for the panels were respectively: Dr. R. C. Scannell of Security Life & Accident; Dr. C. L. Reeder of Continental Assurance; Dr. Thomas S. Sexton of Massachusetts Mutual Life, and Dr. J. W. Johnson Jr., of Interstate Life & Accident.

"Carefully selected groups of individuals with a history of coronary disease are insurable," Dr. Harry A. Cochran Jr., medical director of Lincoln National Life, told the Medical Section.

Delivering a paper prepared in cooperation with Norman F. Buck, associate actuary of Lincoln National, based on the company's experience in

underwriting risks with a history of coronary chest pain, Dr. Cochran said the method of classifying ill-defined chest pain cases used in the study can be used to good advantage in underwriting.

The report was a follow-up study of an earlier investigation by the company and covered policy issues over a ten-year period, 1947-1957. A total of 6,611 policy issues exposed for 26,256 policy years were reviewed and classified according to underwriting criteria developed especially for the two impairment groups. More than two years was required to collect statistical data, review cases, and to conduct the mortality investigation.

No Final Conclusions

In spite of the imposing size and exposure of the study, the experience is still early and only tentative conclusions can be drawn, Dr. Cochran said. The study broke down the number of cases into two main groups, those with a definite history of coronary disease and those with a history of ill-defined chest pains. These major groups were further broken down into a number of sub-groups in an effort to provide more scientific classes of impairment.

The results so far indicate that individuals with a well-documented history of recovery from myocardial infarction, coronary occlusion or thrombosis are insurable. The risk involved is great: Percentagewise greater at the younger than at the older ages of onset and perhaps greater in the first decade after recovery than at longer intervals of time following recovery. Although the hazard would appear to decrease percentagewise at the longer durations from recovery encompassed in this study, a significant number of extra deaths per thousand per year can be expected for a long time.

Find Aids In Coronary Selection

Two aids have been discovered in the selection of coronary cases. A group without confirmation of the history from medical sources results in an experience unfavorable in comparison to the group in which confirmation is secured. The difference is striking enough to suggest that failure to secure such information is a serious breach of underwriting technique.

The second aid is the development of adequate electrocardiographic evidence.

Dr. Edgar V. Allen of the Mayo Clinic

New Handbook Ready For Minnesota

A new Underwriters Handbook of Minnesota has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Minnesota Handbook may be obtained from the National Underwriter Co. at 420 East Fourth street, Cincinnati 2, Ohio. Price \$12.50 each.

New production in April of American National totaled \$65,385,040, greater than any April in the company's history and \$13,956,985 more than April, 1957.

predicted "progressive lengthening of life and diminishing disability."

In his paper on cardiovascular diseases, Dr. Allen drew a picture of the current research results on heart disease and urged that the life industry increase greatly its contributions to this field.

Dr. Allen said that he did not know where the next "break-through" in the treatment of heart diseases would come, but he did outline the four major ones in the recent past: Heart surgery, treatment of hypertension, prevention of acute rheumatic fever, and use of anti-coagulant agents.

In his discussion of hypertension, or high blood pressure, Dr. Allen said the picture was more pleasing and that certain types of hypertension are curable although they are sometimes missed on routine examinations. He said similar cases do not necessarily respond to the same treatment.

Insurance Industry Advised To Speak Out

Citizens Committee for the Hoover Report of Washington, D. C. and New York City is urgently advising the insurance industry and the general public to wire or phone their legislators that they are for the current defense bill being considered in Washington if all three of President Eisenhower's amendments to the bill are accepted. The bill is scheduled to come up for vote this week.

The committee has an arm in Illinois known as the Hoover Report division of Taxpayers Federation of Illinois, which reports that a saving of \$7 billion has already been effected by the adoption of the first recommendation of the Hoover committee, the amount of all federal taxes paid by the state of Illinois for one year. The current recommendation would effect savings tax-wise of another \$5 billion, the Illinois division reports.

NAIC Holding Annual Meeting This Week

(CONTINUED FROM PAGE 1)

be empowered to appoint a committee of actuaries from the state departments to meet with an advisory committee of actuaries appointed from industry, "for the purpose of the creation of a new mortality table."

A final recommendation on a table will be made prior to Nov. 15, according to Mr. Sheehan's schedule, and his report added that "taking into consideration the work that has already been accomplished, the schedule we are here proposing should enable this subcommittee to submit to the December meeting of the NAIC for its consideration, a final report and a proposed new mortality table."

Adoption of a technicians report paved the way for general use of a set formula for loadings in group life rates. The subcommittee to study use and application of minimum group life insurance rates under existing state laws, headed by Smith of Pennsylvania, using its technicians committee report, suggested adoption and promulgation of the Prudential formula in lieu of loadings presently in effect. This would produce a graduated scale depending on size of policy.

John Hancock has completed a mortgage loan of \$3 million for permanent financing of an apartment building in Dallas.

Buckwell Resigns; Hulbert Is New Utah Commissioner

A. E. Buckwell has resigned as Utah insurance commissioner and is succeeded by Carl A. Hulbert, a 35 year old attorney with an insurance background.

Mr. Buckwell was named commissioner early last year and before that had been since 1926 the Salt Lake City manager of Travelers.

Mr. Hulbert has been in the adjusting business in Utah with his brother and prior to that was an adjuster for Inland Empire. He also has been with Utah Home Fire and Lincoln National Life.

Variable Annuity Dual Control Gets Heavy Treatment At Chicago

(CONTINUED FROM PAGE 1)

sonnel and effectiveness between the insurance department and securities department in a state was ludicrous," pointing out that in his own state when he was commissioner (West Virginia) the securities department consisted of "one boy and a part-time girl." The insurance department had a full-time staff of 23 at that time, he said.

Mr. Crichton declared "there is nothing economically unsound about variable annuities. Even the SEC statements both in federal district court and the court of appeals held that they were not economically unsound." He admonished his audience to adopt the policy of opposing any form of regulation of variable annuities by securities departments.

Statement Seconded

Donald S. McNaughten, assistant general counsel of Prudential, spoke briefly seconding Mr. Crichton's statement. He also said, "This is not really a variable annuities meeting but more of one on state regulation of the business of insurance and possible dual regulation by the insurance department and the securities department."

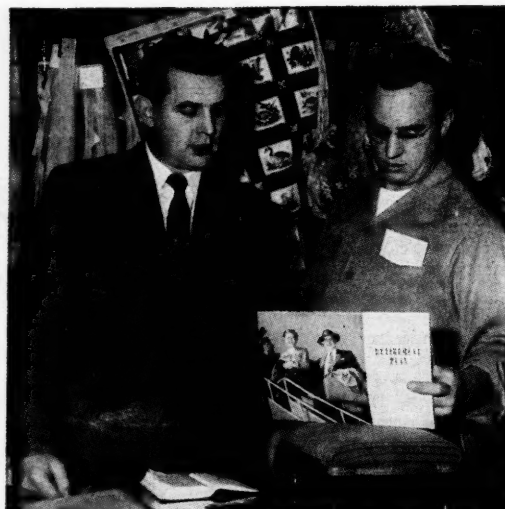
He pointed out that "too often we are called upon to be critical of the courts for becoming legislative and administrative bodies, and now the current situation is a case of the reverse, where the legislative bodies are being asked to be judicial bodies." He added that it was "presumptive of a group of lawyers and their advisers to be asked to write a law which would go against what the federal district and appellate courts have already turned down." He told the committee that it should recommend to the NAIC that any state permitting selling of variable annuities should make the sales subject to exclusive regulation of the state department of insurance.

"Do all in your power to prevent any form of dual regulation," he advised.

Surprised At Interest

Samuel Orbaugh, deputy commissioner of Iowa, said he was surprised at the interest the security people in his state are taking in the matter of variable annuities. He had put his remarks on the subject in writing at a previous meeting in his state and filed a copy with the subcommittee, but the information had not reached the subcommittee in time for the meeting in Chicago.

The meeting then went into executive session.



HE MAKES THE MOST OF HIS TIME

The effectiveness of The Union Central's intensive training is plainly evident in the brilliant career of Warren L. Stillwell, who signed his contract with the Company's New York Agency as recently as January, 1954. Already, this young man has moved in among the nation's leading underwriters.

Last year was the second consecutive time he was designated his Agency's "Man of the Year," the fourth consecutive time he qualified for his Company's celebrated \$500,000 Club, and the second consecutive time he sold in excess of \$1,000,000 of life insurance to earn membership in The Union Central's distinguished President's Club.

To Mr. Stillwell, however, his most significant

accomplishment during 1957 was in the fact that he acquired 133 new clients, a remarkable feat in any sales field.

One reason why he has been able to achieve so much in so short a time is defined as simply as this: "I keep an eye on the clock and try to talk to as many new people as possible every day — especially young fathers for whom life insurance is usually the only practical means of guaranteeing adequate protection for their families."

For determined young men like Warren L. Stillwell, who are interested in people and their financial needs, the life insurance profession is filled with opportunities to speed up success.



(Above) Warren Stillwell's rapid progress has influenced several of his friends to join The Union Central, including Steve Linardos, who qualified for the \$500,000 Club in less than a year, Doug Plotke and Ed Barrett, both of whom are on schedule this year for sales in excess of \$500,000. Above, Mr. Stillwell explains how the Company's research-tested sales promotion materials have contributed largely to his success.

(Right) It is quite apparent that television has an interested audience in the Warren Stillwell family. Seated on the sofa with Mr. Stillwell is daughter Irene; watching intently from the floor are daughter Kathleen and son Warren; seated with Mrs. Stillwell are son Michael and daughter Maureen.

It is the goal of every Union Central underwriter to qualify for one of the Company's annual conventions. This year, Mr. and Mrs. Stillwell attended the \$500,000 Club meeting at Boca Raton, Florida, and the President's Club meeting held at Hollywood Beach, Florida.



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